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COMMITTEE REPORT

May 6, 2014

**H. 3428**

Introduced by Reps. Allison, Erickson, M.S. McLeod, J.E. Smith, Spires, Hiott, Owens, Whitmire, Douglas, Hamilton, Bannister, Neal, Alexander, Weeks, Powers Norrell, Bales, Anderson, Robinson‑Simpson, Williams, Henderson, Sottile, Munnerlyn, Rutherford, Vick, R.L. Brown, Whipper, Branham, Govan, J.R. Smith, Hayes, George, Funderburk, W.J. McLeod, Bernstein, Felder, Wood, Patrick and Jefferson

S. Printed 5/6/14--S.

Read the first time March 5, 2014.

**THE COMMITTEE ON EDUCATION**

To whom was referred a Bill (H. 3428) to amend the Code of Laws of South Carolina, 1976, by adding Section 59‑152‑25 so as to define terms concerning the First Steps to School Readiness Initiative, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by deleting all after the enacting words and inserting:

/ SECTION 1. Chapter 152, Title 59 of the 1976 Code is amended by adding:

“Section 59‑152‑25. 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 School to 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.”

SECTION 2. Chapter 152, Title 59 of the 1976 Code is amended by adding:

“Section 59‑152‑32. (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;

(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.”

SECTION 3. Chapter 152, Title 59 of the 1976 Code is amended by adding:

“Section 59‑152‑33. (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 pre‑kindergarten 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 of 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.”

SECTION 4. Article 17, Chapter 11, Title 63 of the 1976 Code is amended by adding:

“Section 63‑11‑1725. (A) For the purposes of this article, ‘advisory council’ means the South Carolina Advisory Council established by Executive Order Number 2010‑06 in compliance with the Improving Head Start for School Readiness Act of 2007, 42 U.S.C. Section 9837b, et seq.

(B) The membership of the advisory council is exclusively composed of the membership of the Board of Trustees of the South Carolina First Steps to School Readiness Initiative. Each voting and nonvoting member shall serve as a voting member of the South Carolina Advisory Council, concurrent with his service on the board.

(C) The advisory council is an entity distinct from the Board of Trustees and must act accordingly to fulfill its responsibilities under 42 U.S.C. Section 9837b(b)(1)(D)(i) of the Improving Head Start for School Readiness Act of 2007. The advisory council shall keep separate minutes that explicitly distinguish its actions and votes from those made when acting in the capacity of the board of trustees. The advisory council must officially adjourn before acting as the board of trustees, and the board of trustees shall adjourn before acting as the advisory council.

(D) The State Director of First Steps shall coordinate the activities of the advisory council. Pursuant to 42 U.S.C. Section 9837b(b)(1)(D)(i), the advisory council shall:

(1) conduct a periodic statewide needs assessment concerning the quality and availability of early childhood education and development programs and services for children from birth to the age of school entry, including an assessment of the availability of high quality prekindergarten services for low income children in the State;

(2) identify opportunities for, and barriers to, collaboration and coordination among federally funded and state‑funded child development, child care, and early childhood education programs and services, including collaboration and coordination among state agencies responsible for administering these programs;

(3) develop recommendations for increasing the overall participation of children in existing federal, state, and local child care and early childhood education programs, including outreach to underrepresented and special populations;

(4) develop recommendations regarding the establishment of a unified data collection system for public early childhood education and development programs and services throughout the State;

(5) develop recommendations regarding statewide professional development and career advancement plans for early childhood educators in the State;

(6) assess the capacity and effectiveness of two‑year and four‑year public and private institutions of higher education in the state for supporting the development of early childhood educators, including the extent to which these institutions have in place articulation agreements, professional development and career advancement plans, and practice or internships for students to spend time in a Head Start or prekindergarten program;

(7) make recommendations for improvements in state early learning standards and undertake efforts to develop high quality comprehensive early learning standards, as appropriate;

(8) develop and publish, using available demographic data, an indicators‑based measure of school readiness at the state and community level;

(9) incorporate, within the periodic statewide needs assessments required in 42 U.S.C. Section 9837(b), any data related to the capacity and efforts of private sector providers, Head Start providers, and local school districts to serve children from birth to age five, including fiscal, enrollment, and capacity data; and

(10) perform all other functions, as permitted under federal and state law, to improve coordination and delivery of early childhood education and development to children in this State.

(E) The advisory council shall designate a meeting as its annual meeting. All of the chief executive officers of the State agencies represented on the Early Childhood Advisory Council must attend the annual meeting in person.

(F) The advisory council shall prepare an annual report of its activities for presentation to the Governor and General Assembly.”

SECTION 5. Article 17, Chapter 11, Title 63 of the 1976 Code is amended by adding:

“Section 63‑11‑1735. (A) For the purposes of this article:

(1) ‘BabyNet’ is the interagency early intervention system that is the Part C program in South Carolina.

(2) ‘I.D.E.A.’ means the Individuals with Disabilities Education Act, 20 U.S.C. Section 1400, et seq.

(3) ‘Maintenance of effort’ means the requirement of Part C that relevant state and local agencies maintain a specified level of financial support for early intervention services in compliance with 34 C.F.R. 303.124.

(4) ‘Part C program’ means an program of early intervention services to infants and toddlers with disabilities required in each state by I.D.E.A. and for which South Carolina First Steps to School Readiness is designated as the lead agency to administer the Part C program in South Carolina by Executive Order Number 2009‑12 in compliance with Subchapter VIII, Chapter 33, Title 20, U.S. Code Annotated relating to Head Start programs, and as provided in Section 44‑7‑2520(A), which relates to definitions concerning the South Carolina Infants and Toddlers with Disabilities Act.

(B) First Steps shall ensure that BabyNet complies with the maintenance of effort requirement by coordinating with all agencies that provide early intervention services in this State to ensure they each properly document all Part C expenditures annually.”

SECTION 6. Section 59‑152‑10 of the 1976 Code is amended to read:

“Section 59‑152‑10. There is established South Carolina First Steps to School Readiness, a comprehensive, results‑oriented initiative for improving early childhood development by providing, through ~~county~~ 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 ~~learn~~ succeed.”

SECTION 7. Section 59‑152‑20 of the 1976 Code is amended to read:

“Section 59‑152‑20. 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 ~~County~~ local First Steps Partnerships shall ~~assure that collaboration, the development of partnerships, and the sharing and maximizing of resources are occurring before funding for the implementation/management grants, as provided for in this chapter, are made available~~ 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.”

SECTION 8. Section 59‑152‑30 of the 1976 Code is amended to read:

“Section 59‑152‑30. 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 ~~learn~~ 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 ~~learn~~ succeed.”

SECTION 9. Section 59‑152‑40 of the 1976 Code is amended to read:

“Section 59‑152‑40. 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.”

SECTION 10. Section 59‑152‑50 of the 1976 Code is amended to read:

“Section 59‑152‑50. ~~Within~~ 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 ~~shall be established~~. The office shall:

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

(2) review the ~~county~~ 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 ~~county~~ 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;

(~~4~~5) recommend to the board the applicants meeting the criteria for First Steps partnerships and the grants to be awarded;

(~~5~~6) submit an annual report to the board by December first which includes, but is not limited to, the statewide needs and resources available to meet the goals and purposes of the First Steps to School Readiness initiative, a list of risk factors the office considers to affect school readiness, identification of areas where client‑level data is not available, an explanation of how First Steps programs reach the most at‑risk children, the ongoing progress and results of the First Steps to School Readiness initiative statewide and locally, 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;

~~(6)~~ ~~provide for on‑going data collection and contract for an in‑depth performance audit due January 1, 2003, and every three years thereafter, to ensure that statewide goals and requirements of the First Steps to School Readiness initiative are being met; and~~

(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; and

(~~7~~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.”

SECTION 11. Section 59‑152‑60 of the 1976 Code is amended to read:

“Section 59‑152‑60. (A) ~~The Office of First Steps to School Readiness, in collaboration with each county legislative delegation, shall initiate county forums for the purpose of bringing together stakeholders who are actively involved or interested in early childhood development and education so as to initiate a County First Steps Partnership. The times and locations of these forums and county‑wide meetings must be publicized in the local print and broadcast media.~~

~~(B)~~ ~~At a countywide meeting the participants shall begin to select, to the extent possible within the area covered by the partnership:~~

~~(1)~~ ~~Not more than two members from each of these categories to sit on the First Steps partnership board:~~

~~(a)~~ ~~pre‑kindergarten through primary educator;~~ Each county must be represented by 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, each local partnership board shall maintain a total minimum membership of twelve and a maximum membership of thirty elected, appointed, and designated individuals. Elected and appointed members shall comprise a voting majority of the board.

(1) No more than four from any of the following categories may be elected to sit on a First Steps Partnership Board:

(a) pre‑kindergarten through primary educator;

(b) family education, training, and support provider;

(c) childcare ~~and~~ or early childhood development/education provider;

(d) healthcare provider;

(e) ~~transportation provider~~ local government;

(f) nonprofit organization that provides services to families and children;

(g) faith community; ~~and~~

(h) business community;

(i) philanthropic community; and

(j) parents of preschool children.

(2) ~~Three parents of pre‑school children. After the first year of the implementation of the First Steps to School Readiness initiative, parents serving on the County First Steps Partnership Board must have pre‑school children being served by First Steps programs; and~~

~~(3)~~ ~~Four members from early childhood education.~~

~~(C)~~ ~~After the county partnership board has been formed, if necessary to~~ To assure that all areas of the county or multicounty region are adequately represented and reflect the diversity of the ~~county~~ coverage area, each county legislative delegation may appoint up to four ~~additional~~ members to a local partnership board. Of these members, two are appointed by the Senate members and two by the House of Representative members of the delegation from persons with resources, skills, or knowledge that have specific interests in improving the readiness of young children for school.

(~~D~~3) Each of the following entities located within a particular First Steps Partnership coverage area shall designate one member to serve as a member of ~~its County~~ the local First Steps Partnership Board:

(a) county department of social services;

(b) county department of health and environmental control;

(c) Head Start or early Head Start;

(d) county library; and

(e) each of the school districts in the county.

(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) Members who miss more than three consecutive meetings without excuse or members who resign must be replaced from the same categories as their predecessor. The terms of the members of a ~~County~~ local First Steps Partnership Board are for ~~two~~ four years; however, membership on the board may not exceed ~~six~~ eight consecutive years.

(F) The chairman of a ~~County First Steps~~ 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) ~~County~~ A local First Steps ~~Partnerships~~ 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.”

SECTION 12. Section 59‑152‑70 of the 1976 Code is amended to read:

“Section 59‑152‑70. (A) A First Steps Partnership Board shall, among its other powers and duties:

(1) adopt by‑laws 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 ~~multi‑county~~ 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 integrating 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.

(~~4~~5) ~~create and annually revise a county~~ update a needs assessment every three years;

(~~5~~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;

(~~6~~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;

(~~7~~8) collect information and submit an annual report by October ~~1~~ 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. ~~The first annual report must be submitted October 1, 2000.~~ 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 ~~learn~~ 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.

(B) Each ~~County First Steps~~ local partnership may, in the performance of its duties, employ or acquire ~~administrative, clerical, stenographic, and other personnel as may be necessary to effectuate the provisions of this section. However, overhead~~ staff pursuant to the local partnership bylaws established by the South Carolina First Steps School to Readiness Board of Trustees. Overhead costs of ~~the partnership’s~~ a First Step partnership’s operations may not exceed eight percent of ~~its implementation/management grant allocation unless prior approval is received from the First Steps to School Readiness Board of Trustees~~ 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.

(C) Each ~~County~~ 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) ~~Day care facilities receiving grants must first use a portion of their funds to achieve licensed status and then to achieve the equivalent status to that of enhanced ABC provider.~~

~~(E)~~ To be designated a ~~County~~ First Steps partnership, the ~~county or multi‑county~~ local partnership must be a private nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code. ~~However, developing partnerships which have not yet received 501(c)(3) status may qualify for grants if they have received a state charter for incorporation and meet other criteria as established by the board.~~

(E) 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 program, administrative, or development functions or establish multicounty partnerships. The decision to collaborate in the manner permitted in this subsection rests entirely with the local partnership boards of directors involved.

(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 are identified within the partnership, the South Carolina First Steps Board of Trustees must identify a remedy with input from the local legislative delegation.”

SECTION 13. Section 59‑152‑90 of the 1976 Code is amended to read:

“Section 59‑152‑90. (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 ~~County~~ First Steps partnership ~~or developing 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~~, as appropriate to the level of grant applied for,~~ 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.

~~(B)~~ ~~To receive a Level One development of the collaborative effort, needs assessment, and strategic planning grant, the County First Steps Partnership must meet the criteria established by the First Steps to School Readiness Board including, but not limited to, total population covered by the partnership and quality of any pre‑exiting needs assessment and/or strategic plans for that geographic area.~~

~~(C)~~ ~~To receive a Level Two implementation/management grant for First Steps to School Readiness, a County First Steps Partnership must have completed a needs assessment and review by the First Steps to School Readiness Board and develop a comprehensive, long‑range plan to provide high quality early childhood development and education services. The plan must identify the needs of children and their families in the local area; assets and resources available; explain how supports and services are to be organized and delivered; establish measurable objectives and interim goals for meeting the local and state goals for First Steps; and an evaluation plan.~~

~~(D)~~ ~~In developing these plans, the First Steps Partnership must be given sufficient flexibility, but they must be accountable to the First Steps to School Readiness Board for fiscal management, program management, and program results.~~

(~~E~~C)(1) ~~The allocations for the grants shall take into consideration the quality of the grant proposal; the population of children birth to age five contained in the area served by the partnership; the percentage of students in grades 1‑3 who are eligible for the free and reduced price lunch program; average per capita income; and the area’s ability to support the strategic plan initiative. The criteria also shall take into account the standing of the geographical area covered by a county partnership in relation to the statewide Kids Count indicators. Priority must be given to strategic plans that incorporate models with demonstrated success.~~ Pursuant to 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.

(E) 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 subsections (C) and (D) 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

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

SECTION 14. Section 59‑152‑100 of the 1976 Code is amended to read:

“Section 59‑152‑100. (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 ~~First Steps~~ local partnership must be made available to young children and families on a voluntary basis and must focus ~~on the following:~~

~~(1)~~ ~~lifelong learning:~~

~~(a)~~ ~~school readiness;~~

~~(b)~~ ~~parenting skills;~~

~~(c)~~ ~~family literacy; and~~

~~(d)~~ ~~adult and continuing education.~~

~~(2)~~ ~~health care:~~

~~(a)~~ ~~nutrition;~~

~~(b)~~ ~~affordable access to quality age‑appropriate health care;~~

~~(c)~~ ~~early and periodic screenings;~~

~~(d)~~ ~~required immunizations;~~

~~(e)~~ ~~initiatives to reduce injuries to infants and toddlers; and~~

~~(f)~~ ~~technical assistance and consultation for parents and child care providers on health and safety issues.~~

~~(3)~~ ~~quality child care:~~

~~(a)~~ ~~staff training and professional development incentives;~~

~~(b)~~ ~~quality cognitive learning programs;~~

~~(c)~~ ~~voluntary accreditation standards;~~

~~(d)~~ ~~accessibility to quality child care and development resources; and~~

~~(e)~~ ~~affordability.~~

~~(4)~~ ~~transportation:~~

~~(a)~~ ~~coordinated service;~~

~~(b)~~ ~~accessibility;~~

~~(c)~~ ~~increased utilization efficiency; and~~

~~(d)~~ ~~affordability~~ 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.

(~~B~~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.”

SECTION 15. Section 59‑152‑120 of the 1976 Code is amended to read:

“Section 59‑152‑120. Funds received ~~for implementation of a county partnership’s implementation/management grant~~ by a local partnership may not be used for capital expenses ~~for~~, 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. ~~However, funds may be made available for renovating, refurbishing, or upgrading of existing facilities used to support First Steps to School Readiness activities and services for children, families, and providers from funds made available to the partnerships in Section 59‑152‑150(C) and Section 63‑11‑1750(A). The county partnership must demonstrate to the satisfaction of the First Steps to School Readiness Board that the capital expenditure is:~~

~~(1)~~ ~~a priority need for the local initiative and other state or federal funds for such projects are insufficient; and~~

~~(2)~~ ~~necessary to provide services to under‑served children and families.~~”

SECTION 16. Section 59‑152‑130 of the 1976 Code is amended to read:

“Section 59‑152‑130. (A) ~~The County First Steps~~ 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. ~~Private~~ The First Step partnership shall encourage private individuals and groups ~~must be encouraged~~ 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‑~~140~~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. ~~Expenses, including those paid both by cash and through in‑kind contributions, incurred by other nonstate entities participating in county partnerships may be included in determining matching funds.~~

(B) The Office of ~~the~~ South Carolina First Steps to School Readiness shall establish guidelines and reporting formats for ~~county~~ 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 ~~County~~ First Steps partnerships.”

SECTION 17. Section 59‑152‑140 of the 1976 Code is amended to read:

“Section 59‑152‑140. To ensure effective use of funds, awards under contract for ~~County~~ 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.”

SECTION 18. Section 59‑152‑150 of the 1976 Code is amended to read:

“Section 59‑152‑150. (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. Additionally, the accountability system shall require competitive bids for the purchase or procurement of goods and services of ten thousand dollars or more. A bid other than the lowest bid may be accepted by a majority vote of the ~~county~~ partnership board if other considerations outweigh the cost factor; however, written justification must be filed with the Office of First Steps. 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 ~~county~~ 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 ~~County~~ 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 ~~County First Steps~~ 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 non‑state 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 ~~County~~ 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 ~~county~~ 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.”

SECTION 19. Section 59‑125‑160 of the 1976 Code is amended to read:

“Section 59‑125‑160. (A) The South Carolina First Steps to School Readiness Board of Trustees shall establish internal evaluation policies and procedures for ~~County First Steps~~ 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. ~~In addition, a program evaluation of The First Steps to School Readiness initiatives at the state and local levels must be conducted every three years~~ 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. ~~However, the selected evaluator shall be approved, and the evaluation overseen, by a committee consisting of three members, one appointed by the First Steps Board, one appointed by the President Pro Tempore of the Senate and one appointed by the Speaker of the House. These committee members must be professionally recognized as proficient in child development, early childhood education, or a closely related field. The first report shall be provided no later than January 1, 2003.~~ 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) ~~County First Steps~~ 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 ~~must~~ 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 ~~the initiative on children and families at the state and local levels~~ 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. ~~Program~~ Each program evaluation ~~reports~~ report must be reported to the General Assembly no later than three months after conclusion of the evaluation. ~~All County First Steps~~ Local partnerships shall cooperate fully in collecting and providing data and information for the evaluation of their funded strategies.”

SECTION 20. Section 63‑11‑1720 of the 1976 Code is amended to read:

“Section 63‑11‑1720. (A) There is created the South Carolina First Steps to School Readiness Board of Trustees which must be chaired by the Governor, or his designee, and must include the State Superintendent of Education, or his designee, who shall serve as ex officio voting members of the board. ~~The board is composed of the twenty appointed, voting members as follows:~~

(B) In making the appointments specified in subsection (C)(1), (2), and (3) of this chapter, the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives shall seek to ensure diverse geographical representation on the board by appointing individuals from each congressional district as possible.

(C) The board shall include members appointed in the following manner:

(1) The Governor shall appoint ~~two members~~ one member from each of the following sectors:

(a) parents of young children;

(b) business community;

(c) early childhood educators;

(d) medical ~~or child care and development~~ providers; ~~and~~

(e) child care and development providers; and

(~~e~~f) the General Assembly, one member from the Senate and one member from the House of Representatives.

(2) The President Pro Tempore of the Senate shall appoint one member from each of the following sectors:

(a) parents of young children;

(b) business community;

(c) early childhood educators; and

(d) medical or child care and development providers.

(3) The Speaker of the House of Representatives shall appoint one member from each of the following sectors:

(a) parents of young children;

(b) business community;

(c) early childhood educators; and

(d) medical or child care and development.

(4) The chairman of the Senate Education Committee or his designee.

(5) The chairman of the House Education and Public Works Committee or his designee.

(6) The chief executive officer of each of the following shall serve as an ex officio ~~nonvoting~~ voting member:

(a) Department of Social Services ~~or his designee~~;

(b) Department of Health and Environmental Control ~~or his designee~~;

(c) Department of Health and Human Services ~~or his designee~~;

(d) ~~Department of Mental Health or his designee;~~

~~(e)~~ Department of Disabilities and Special Needs ~~or his designee~~;

(~~f~~) ~~Department of Alcohol and Other Drug Abuse Services or his designee;~~

~~(g)~~ ~~Department of Transportation or his designee;~~

~~(h)~~ ~~State Budget and Control Board, Division of Research and Statistics or his designee; and~~

~~(i)~~ ~~State Board for Technical and Comprehensive Education~~

(e) State Head Start Collaboration Officer; and

(f) Children’s Trust of South Carolina.

~~(7)~~ ~~The following organizations shall designate one member to serve as an ex officio nonvoting member:~~

~~(a)~~ ~~South Carolina State Library;~~

~~(b)~~ ~~Transportation Association of South Carolina; and~~

~~(c)~~ ~~State Advisory Committee on the Regulation of Childcare Facilities.~~

(~~B~~D) The terms of the members are for four years and until their successors are appointed and qualify~~, except of those first appointed~~. ~~When making the initial appointments, the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives shall designate half of their appointments to serve two‑year terms only.~~ The appointments of the members from the General Assembly shall be coterminous with their terms of office.

(~~C~~E) Vacancies for any reason must be filled in the manner of the original appointment for the unexpired term. A member may not serve more than two terms or eight years, whichever is longer. A member who misses more than three consecutive meetings without excuse or a member who resigns must be replaced in the same manner as his predecessor. Members may be paid per diem, mileage, and subsistence as established by the board not to exceed standards provided by law for boards, committees, and commissions. A complete report of the activities of the First Steps to School Readiness Board of Trustees must be made annually to the General Assembly.”

SECTION 21. Section 63‑11‑1730 of the 1976 Code is amended to read:

“Section 63‑11‑1730. To ~~carry out its assigned functions, the board is authorized, but not limited to~~ oversee and be accountable for the South Carolina First Steps to School Readiness Initiative, in accordance with the APA, the board shall:

(1) develop and promulgate a comprehensive long‑range initiative for improving early childhood development and increasing school readiness and literacy, which shall include the specific requirements of Chapter 152, Title 59;

(2) in accordance with the APA, promulgate regulations, establish guidelines, policies and procedures for the continued implementation of the South Carolina First Steps to School Readiness initiative;

(3) provide oversight on the continued implementation and evaluation of the South Carolina First Steps to School Readiness initiative at the state and ~~county~~ local levels;

(4) ~~facilitate and direct the establishment of developing County First Steps Partnerships and establish the criteria for designation of County First Steps Partnerships;~~

~~(5)~~ establish ~~criteria and procedures for awarding state First Steps grants to County First Steps Partnerships~~ and promulgate grant qualification requirements and a formula by which allocations for qualifying partnership grants shall be calculated;

(~~6~~5) ~~provide~~ ensure the provision of technical assistance, consultation services and support to ~~County~~ First Steps Partnerships including: the creation and annual revision of county needs assessments; the prioritization, implementation, and evaluation of each First Steps Partnership’s strategic plans based on needs assessments; and the identification of assets from other funding sources;

(~~7~~6) assess and develop recommendations: for ensuring coordination and collaboration among service providers at both the state and county level, for increasing the efficiency and effectiveness of state programs and funding and other programs and funding sources, as allowable, as necessary to carry out the First Steps to School Readiness initiative, including additional fiscal strategies, redeployment of state resources, and development of new programs;

(~~8~~7) establish ~~results oriented~~ and promulgate results‑oriented measures and objectives and assess whether services provided by ~~County~~ First Steps Partnerships to children and families are meeting the goals and achieving the results established for the First Steps initiative pursuant to Chapter 152, Title 59;

(~~9~~8) receive gifts, bequests, and devises for deposit for awarding grants to First Steps Partnerships; ~~and~~

(~~10~~9) report annually to the General Assembly by January first on activities and progress to include recommendations for changes and legislative initiatives and results of program evaluations;

(10) establish and promulgate internal policies and procedures to allow the board to operate optimally, which shall include, but not be limited to, an established and consistent process for decision making;

(11) develop, implement, and document an annual performance process for the Director of the Office of South Carolina First Steps;

(12) establish and promulgate bylaws for adoption by local First Steps Partnerships;

(13) establish and promulgate internal evaluation policies and procedures for local partnerships for annual review pursuant to Chapter 152, Title 59; and

(14) arrange for the conduction of an independent external program evaluation pursuant to Chapter 152, Title 59.”

SECTION 22. Section 1‑5‑40(A) of the 1976 Code is amended by adding an item at the end to read:

“(107) South Carolina First Steps to School Readiness Board of Trustees.”

SECTION 23. Sections 59‑152‑80 and 59‑152‑110 of the 1976 Code are repealed.

SECTION 24. This act takes effect upon approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

JOHN E. COURSON for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑152‑25 SO AS TO DEFINE TERMS CONCERNING THE FIRST STEPS TO SCHOOL READINESS INITIATIVE; BY ADDING SECTION 59‑152‑32 SO AS TO PROVIDE THE FIRST STEPS BOARD OF TRUSTEES SHALL DEVELOP A COMPREHENSIVE LONG‑RANGE INITIATIVE AND STRATEGY FOR SCHOOL READINESS; BY ADDING SECTION 59‑152‑33 SO AS TO PROVIDE A STATEWIDE ASSESSMENT OF STUDENT SCHOOL READINESS; BY ADDING SECTION 63‑11‑1725 SO AS TO PROVIDE FOR THE COMPOSITION, FUNCTION, AND DUTIES OF THE SOUTH CAROLINA EARLY CHILDHOOD ADVISORY COUNCIL; BY ADDING SECTION 63‑11‑1735 SO AS TO PROVIDE FIRST STEPS SHALL ENSURE THE COMPLIANCE OF BABYNET WITH FEDERAL MAINTENANCE OF EFFORT REQUIREMENTS, AND TO DEFINE CERTAIN TERMS; TO AMEND SECTION 59‑152‑10, RELATING TO THE ESTABLISHMENT OF FIRST STEPS, SO AS TO REDESIGNATE COUNTY FIRST STEPS PARTNERSHIPS AS LOCAL FIRST STEPS PARTNERSHIPS; TO AMEND SECTION 59‑152‑20, RELATING TO THE PURPOSE OF FIRST STEPS, SO AS TO REDESIGNATE COUNTY PARTNERSHIPS AS LOCAL PARTNERSHIPS; TO AMEND SECTION 59‑152‑30, RELATING TO THE GOALS OF FIRST STEPS, SO AS TO RESTATE CERTAIN GOALS OF STUDENT READINESS; TO AMEND SECTION 59‑152‑40, RELATING TO OVERSIGHT OF THE INITIATIVE BY THE FIRST STEPS BOARD OF TRUSTEES, SO AS TO REQUIRE THE BOARD ALSO BE ACCOUNTABLE FOR THE INITIATIVE; TO AMEND SECTION 59‑152‑50, RELATING TO THE ESTABLISHMENT OF THE OFFICE OF FIRST STEPS TO SCHOOL READINESS, SO AS TO REVISE THE TIME FOR REQUIRED PERFORMANCE AUDITS AND TO CORRECT AN OBSOLETE REFERENCE; TO AMEND SECTION 59‑152‑60, RELATING TO FIRST STEPS PARTNERSHIPS, SO AS TO REQUIRE A LOCAL PARTNERSHIP IN EACH COUNTY, TO PROVIDE THAT MEETINGS AND ELECTIONS OF A LOCAL PARTNERSHIP ARE SUBJECT TO THE FREEDOM OF INFORMATION ACT AND CERTAIN DISCLOSURE REQUIREMENTS, TO SPECIFY AND REVISE REQUIREMENTS FOR THE COMPOSITION OF A LOCAL PARTNERSHIP BOARD AND TO CORRECT AN OBSOLETE REFERENCE; TO AMEND SECTION 59‑152‑70, RELATING TO THE POWERS AND DUTIES OF A LOCAL PARTNERSHIP BOARD, SO AS TO REVISE THE REQUIREMENTS CONCERNING COUNTY NEEDS ASSESSMENTS, RECORD KEEPING AND REPORTING, TO PROVIDE STAFFING PURSUANT TO LOCAL BYLAWS, AND TO PROVIDE MULTIPLE LOCAL PARTNERSHIPS MAY COLLABORATE TO MAXIMIZE EFFICIENT DELIVERY OF SERVICES AND THE EXECUTION OF THEIR DUTIES AND POWERS; TO AMEND SECTION 59‑152‑90, RELATING TO FIRST STEPS GRANTS, SO AS TO ESTABLISH THE GRANTS AS LOCAL PARTNERSHIP GRANTS, AND TO REVISE THE PROCESS FOR OBTAINING A GRANT AND THE METHOD OF ALLOCATING GRANT FUNDS; TO AMEND SECTION 59‑152‑100, RELATING TO USE OF FIRST STEPS GRANT FUNDS, SO AS TO PROVIDE THE SECTION APPLIES TO GRANTS EXPENDED BY A FIRST STEPS PARTNERSHIP, AND TO REVISE THE PERMISSIBLE USES OF GRANT FUNDS; TO AMEND SECTION 59‑152‑120, RELATING TO THE USE OF GRANT FUNDS FOR CAPITAL EXPENDITURES, SO AS TO REVISE THE PURPOSE FOR WHICH FUNDS MAY BE USED AND TO REQUIRE PRIOR APPROVAL OF THE BOARD OF TRUSTEES; TO AMEND SECTION 59‑152‑130, RELATING TO A MANDATORY MATCHING OF FUNDS BY LOCAL PARTNERSHIPS, SO AS TO REVISE THE MANDATORY AMOUNT, TO ENCOURAGE PRIVATE CONTRIBUTIONS TO HELP LOCAL PARTNERSHIPS MEET THEIR MANDATORY MATCHING REQUIREMENT, AND TO DELETE A PROVISION ALLOWING CERTAIN EXPENSES TO BE INCLUDED IN DETERMINING MATCHING FUNDS; TO AMEND SECTION 59‑152‑140, RELATING TO THE PERMISSIBILITY OF CARRY FORWARD FUNDS BY A LOCAL PARTNERSHIP, SECTION 59‑152‑150, RELATING TO ACCOUNTABILITY SYSTEMS, AND SECTION 59‑152‑160, RELATING TO PROGRESS EVALUATIONS, ALL SO AS TO DELETE OBSOLETE TERMS; TO AMEND SECTION 63‑11‑1720, RELATING TO THE FIRST STEPS BOARD OF TRUSTEES, SO AS TO REVISE THE COMPOSITION OF THE BOARD; AND TO REPEAL SECTION 59‑152‑80 RELATING TO FIRST STEPS GRANTS AND SECTION 59‑152‑110 RELATING TO THE USE OF FIRST STEPS LOCAL PARTNERSHIP GRANT FUNDS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 152, Title 59 of the 1976 Code is amended by adding:

“Section 59‑152‑25. 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 School to 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.”

SECTION 2. Chapter 152, Title 59 of the 1976 Code is amended by adding:

“Section 59‑152‑32. (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;

(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.”

SECTION 3. Chapter 152, Title 59 of the 1976 Code is amended by adding:

“Section 59‑152‑33. (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 pre‑kindergarten 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 of 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.”

SECTION 4. Article 17, Chapter 11, Title 63 of the 1976 code is amended by adding:

“Section 63‑11‑45. The Director of the First Steps agency must be subject to the authority of the Agency Head Salary Commission.”

SECTION 5. Article 17, Chapter 11, Title 63 of the 1976 Code is amended by adding:

“Section 63‑11‑1725. (A) For the purposes of this article, ‘advisory council’ means the South Carolina Advisory Council established by Executive Order Number 2010‑06 in compliance with the Improving Head Start for School Readiness Act of 2007, 42 U.S.C. Section 9837b, et seq.

(B) The membership of the advisory council is exclusively composed of the membership of the Board of Trustees of the South Carolina First Steps to School Readiness Initiative. Each voting and nonvoting member shall serve as a voting member of the South Carolina Advisory Council, concurrent with his service on the board.

(C) The advisory council is an entity distinct from the Board of Trustees and must act accordingly to fulfill its responsibilities under 42 U.S.C. Section 9837b(b)(1)(D)(i) of the Improving Head Start for School Readiness Act of 2007. The advisory council shall keep separate minutes that explicitly distinguish its actions and votes from those made when acting in the capacity of the board of trustees. The advisory council must officially adjourn before acting as the board of trustees, and the board of trustees shall adjourn before acting as the advisory council.

(D) The State Director of First Steps shall coordinate the activities of the advisory council. Pursuant to 42 U.S.C. Section 9837b(b)(1)(D)(i), the advisory council shall:

(1) conduct a periodic statewide needs assessment concerning the quality and availability of early childhood education and development programs and services for children from birth to the age of school entry, including an assessment of the availability of high quality prekindergarten services for low income children in the State;

(2) identify opportunities for, and barriers to, collaboration and coordination among federally funded and state‑funded child development, child care, and early childhood education programs and services, including collaboration and coordination among state agencies responsible for administering these programs;

(3) develop recommendations for increasing the overall participation of children in existing federal, state, and local child care and early childhood education programs, including outreach to underrepresented and special populations;

(4) develop recommendations regarding the establishment of a unified data collection system for public early childhood education and development programs and services throughout the State;

(5) develop recommendations regarding statewide professional development and career advancement plans for early childhood educators in the State;

(6) assess the capacity and effectiveness of two‑year and four‑year public and private institutions of higher education in the state for supporting the development of early childhood educators, including the extent to which these institutions have in place articulation agreements, professional development and career advancement plans, and practice or internships for students to spend time in a Head Start or prekindergarten program;

(7) make recommendations for improvements in state early learning standards and undertake efforts to develop high quality comprehensive early learning standards, as appropriate;

(8) develop and publish, using available demographic data, an indicators‑based measure of school readiness at the state and community level;

(9) incorporate, within the periodic statewide needs assessments required in 42 U.S.C. Section 9837(b), any data related to the capacity and efforts of private sector providers, Head Start providers, and local school districts to serve children from birth to age five, including fiscal, enrollment, and capacity data; and

(10) perform all other functions, as permitted under federal and state law, to improve coordination and delivery of early childhood education and development to children in this State.

(E) The advisory council shall designate a meeting as its annual meeting. All of the chief executive officers of the State agencies represented on the Early Childhood Advisory Council must attend the annual meeting in person.

(F) The advisory council shall prepare an annual report of its activities for presentation to the Governor and General Assembly.”

SECTION 6. Article 17, Chapter 11, Title 63 of the 1976 Code is amended by adding:

“Section 63‑11‑1735. (A) For the purposes of this article:

(1) ‘BabyNet’ is the interagency early intervention system that is the Part C program in South Carolina.

(2) ‘I.D.E.A.’ means the Individuals with Disabilities Education Act, 20 U.S.C. Section 1400, et seq.

(3) ‘Maintenance of effort’ means the requirement of Part C that relevant state and local agencies maintain a specified level of financial support for early intervention services in compliance with 34 C.F.R. 303.124.

(4) ‘Part C program’ means an program of early intervention services to infants and toddlers with disabilities required in each state by I.D.E.A. and for which South Carolina First Steps to School Readiness is designated as the lead agency to administer the Part C program in South Carolina by Executive Order Number 2009‑12 in compliance with Subchapter VIII, Chapter 33, Title 20, U.S. Code Annotated relating to Head Start programs, and as provided in Section 44‑7‑2520(A), which relates to definitions concerning the South Carolina Infants and Toddlers with Disabilities Act.

(B) First Steps shall ensure that BabyNet complies with the maintenance of effort requirement by coordinating with all agencies that provide early intervention services in this State to ensure they each properly document all Part C expenditures annually.”

SECTION 7. Section 59‑152‑10 of the 1976 Code is amended to read:

“Section 59‑152‑10. There is established South Carolina First Steps to School Readiness, a comprehensive, results‑oriented initiative for improving early childhood development by providing, through ~~county~~ 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 ~~learn~~ succeed.”

SECTION 8. Section 59‑152‑20 of the 1976 Code is amended to read:

“Section 59‑152‑20. 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 agency, and the ~~County~~ local First Steps Partnerships shall ~~assure that collaboration, the development of partnerships, and the sharing and maximizing of resources are occurring before funding for the implementation/management grants, as provided for in this chapter, are made available~~ 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.”

SECTION 9. Section 59‑152‑30 of the 1976 Code is amended to read:

“Section 59‑152‑30. 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 ~~learn~~ 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 ~~learn~~ succeed.”

SECTION 10. Section 59‑152‑40 of the 1976 Code is amended to read:

“Section 59‑152‑40. 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.”

SECTION 11. Section 59‑152‑50 of the 1976 Code is amended to read:

“Section 59‑152‑50. ~~Within~~ Under supervision of the South Carolina First Steps to School Readiness Board of Trustees, ~~an Office of~~ there is created South Carolina First Steps to School Readiness ~~shall be established~~, an agency of state government. The ~~office~~ agency shall:

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

(2) review the ~~county~~ 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 ~~county~~ 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;

(~~4~~5) recommend to the board the applicants meeting the criteria for First Steps partnerships and the grants to be awarded;

(~~5~~6) submit an annual report to the board by December first which includes, but is not limited to, the statewide needs and resources available to meet the goals and purposes of the First Steps to School Readiness initiative, a list of risk factors the agency considers to affect school readiness, identification of areas where client‑level data is not available, an explanation of how First Steps programs reach the most at‑risk children, the ongoing progress and results of the First Steps to School Readiness initiative statewide and locally, 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;

~~(6)~~ ~~provide for on‑going data collection and contract for an in‑depth performance audit due January 1, 2003, and every three years thereafter, to ensure that statewide goals and requirements of the First Steps to School Readiness initiative are being met; and~~

(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 agency 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 agency’s annual report; and

(~~7~~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.”

SECTION 12. Section 59‑152‑60 of the 1976 Code is amended to read:

“Section 59‑152‑60. (A) ~~The Office of First Steps to School Readiness, in collaboration with each county legislative delegation, shall initiate county forums for the purpose of bringing together stakeholders who are actively involved or interested in early childhood development and education so as to initiate a County First Steps Partnership. The times and locations of these forums and county‑wide meetings must be publicized in the local print and broadcast media.~~

~~(B)~~ ~~At a countywide meeting the participants shall begin to select, to the extent possible within the area covered by the partnership:~~

~~(1)~~ ~~Not more than two members from each of these categories to sit on the First Steps partnership board:~~

~~(a)~~ ~~pre‑kindergarten through primary educator;~~ Each county must be represented by 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 First Steps Agency.

(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, each local partnership board shall maintain a total minimum membership of twelve and a maximum membership of thirty elected, appointed, and designated individuals. Elected and appointed members shall comprise a voting majority of the board.

(1) No more than four from any of the following categories may be elected to sit on a First Steps Partnership Board:

(a) pre‑kindergarten through primary educator;

(b) family education, training, and support provider;

(c) childcare ~~and~~ or early childhood development/education provider;

(d) healthcare provider;

(e) ~~transportation provider~~ local government;

(f) nonprofit organization that provides services to families and children;

(g) faith community; ~~and~~

(h) business community;

(i) philanthropic community; and

(j) parents of preschool children.

(2) ~~Three parents of pre‑school children. After the first year of the implementation of the First Steps to School Readiness initiative, parents serving on the County First Steps Partnership Board must have pre‑school children being served by First Steps programs; and~~

~~(3)~~ ~~Four members from early childhood education.~~

~~(C)~~ ~~After the county partnership board has been formed, if necessary to~~ To assure that all areas of the county or multicounty region are adequately represented and reflect the diversity of the ~~county~~ coverage area, each county legislative delegation may appoint up to four ~~additional~~ members to a local partnership board. Of these members, two are appointed by the Senate members and two by the House of Representative members of the delegation from persons with resources, skills, or knowledge that have specific interests in improving the readiness of young children for school.

(~~D~~3) Each of the following entities located within a particular First Steps Partnership coverage area shall designate one member to serve as a member of ~~its County~~ the local First Steps Partnership Board:

(a) county department of social services;

(b) county department of health and environmental control;

(c) Head Start or early Head Start;

(d) county library; and

(e) each of the school districts in the county.

(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) Members who miss more than three consecutive meetings without excuse or members who resign must be replaced from the same categories as their predecessor. The terms of the members of a ~~County~~ local First Steps Partnership Board are for ~~two~~ four years; however, membership on the board may not exceed ~~six~~ eight consecutive years.

(F) The chairman of a ~~County First Steps~~ 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) ~~County~~ A local First Steps ~~Partnerships~~ 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.”

SECTION 13. Section 59‑152‑70 of the 1976 Code is amended to read:

“Section 59‑152‑70. (A) A First Steps Partnership Board shall, among its other powers and duties:

(1) adopt by‑laws 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 ~~multi‑county~~ 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 integrating 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.

(~~4~~5) ~~create and annually revise a county~~ update a needs assessment every three years;

(~~5~~6) implement fiscal policies and procedures as required by the First Steps ~~office~~ agency and as needed to ensure fiscal accountability of all funds appropriated to the partnership;

(~~6~~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;

(~~7~~8) collect information and submit an annual report by October ~~1~~ 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. ~~The first annual report must be submitted October 1, 2000.~~ 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 ~~learn~~ 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.

(B) Each ~~County First Steps~~ local partnership may, in the performance of its duties, employ or acquire ~~administrative, clerical, stenographic, and other personnel as may be necessary to effectuate the provisions of this section. However, overhead~~ staff pursuant to the local partnership bylaws established by the South Carolina First Steps School to Readiness Board of Trustees. Overhead costs of ~~the partnership’s~~ a First Step partnership’s operations may not exceed eight percent of ~~its implementation/management grant allocation unless prior approval is received from the First Steps to School Readiness Board of Trustees~~ 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.

(C) Each ~~County~~ 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) ~~Day care facilities receiving grants must first use a portion of their funds to achieve licensed status and then to achieve the equivalent status to that of enhanced ABC provider.~~

~~(E)~~ To be designated a ~~County~~ First Steps partnership, the ~~county or multi‑county~~ local partnership must be a private nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code. ~~However, developing partnerships which have not yet received 501(c)(3) status may qualify for grants if they have received a state charter for incorporation and meet other criteria as established by the board.~~

(E) 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 program, administrative, or development functions or establish multicounty partnerships. The decision to collaborate in the manner permitted in this subsection rests entirely with the local partnership boards of directors involved.

(F) As a condition of receiving state funds, each local partnership must be subject to performance reviews by the South Carolina First Steps agency, 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 are identified within the partnership, the South Carolina First Steps Board of Trustees must identify a remedy with input from the local legislative delegation.”

SECTION 14. Section 59‑152‑90 of the 1976 Code is amended to read:

“Section 59‑152‑90. (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 ~~County~~ First Steps partnership ~~or developing 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 agency in a format specified by the First Steps to School Readiness Board. The application shall include~~, as appropriate to the level of grant applied for,~~ 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.

~~(B)~~ ~~To receive a Level One development of the collaborative effort, needs assessment, and strategic planning grant, the County First Steps Partnership must meet the criteria established by the First Steps to School Readiness Board including, but not limited to, total population covered by the partnership and quality of any pre‑exiting needs assessment and/or strategic plans for that geographic area.~~

~~(C)~~ ~~To receive a Level Two implementation/management grant for First Steps to School Readiness, a County First Steps Partnership must have completed a needs assessment and review by the First Steps to School Readiness Board and develop a comprehensive, long‑range plan to provide high quality early childhood development and education services. The plan must identify the needs of children and their families in the local area; assets and resources available; explain how supports and services are to be organized and delivered; establish measurable objectives and interim goals for meeting the local and state goals for First Steps; and an evaluation plan.~~

~~(D)~~ ~~In developing these plans, the First Steps Partnership must be given sufficient flexibility, but they must be accountable to the First Steps to School Readiness Board for fiscal management, program management, and program results.~~

(~~E~~C)(1) ~~The allocations for the grants shall take into consideration the quality of the grant proposal; the population of children birth to age five contained in the area served by the partnership; the percentage of students in grades 1‑3 who are eligible for the free and reduced price lunch program; average per capita income; and the area’s ability to support the strategic plan initiative. The criteria also shall take into account the standing of the geographical area covered by a county partnership in relation to the statewide Kids Count indicators. Priority must be given to strategic plans that incorporate models with demonstrated success.~~ Pursuant to 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) use 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 regulations for both. The factors used 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) The agency 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.

(E) 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 subsections (C) and (D) 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

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

SECTION 15. Section 59‑152‑100 of the 1976 Code is amended to read:

“Section 59‑152‑100. (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 ~~First Steps~~ local partnership must be made available to young children and families on a voluntary basis and must focus ~~on the following:~~

~~(1)~~ ~~lifelong learning:~~

~~(a)~~ ~~school readiness;~~

~~(b)~~ ~~parenting skills;~~

~~(c)~~ ~~family literacy; and~~

~~(d)~~ ~~adult and continuing education.~~

~~(2)~~ ~~health care:~~

~~(a)~~ ~~nutrition;~~

~~(b)~~ ~~affordable access to quality age‑appropriate health care;~~

~~(c)~~ ~~early and periodic screenings;~~

~~(d)~~ ~~required immunizations;~~

~~(e)~~ ~~initiatives to reduce injuries to infants and toddlers; and~~

~~(f)~~ ~~technical assistance and consultation for parents and child care providers on health and safety issues.~~

~~(3)~~ ~~quality child care:~~

~~(a)~~ ~~staff training and professional development incentives;~~

~~(b)~~ ~~quality cognitive learning programs;~~

~~(c)~~ ~~voluntary accreditation standards;~~

~~(d)~~ ~~accessibility to quality child care and development resources; and~~

~~(e)~~ ~~affordability.~~

~~(4)~~ ~~transportation:~~

~~(a)~~ ~~coordinated service;~~

~~(b)~~ ~~accessibility;~~

~~(c)~~ ~~increased utilization efficiency; and~~

~~(d)~~ ~~affordability~~ 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.

(~~B~~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.”

SECTION 16. Section 59‑152‑120 of the 1976 Code is amended to read:

“Section 59‑152‑120. Funds received ~~for implementation of a county partnership’s implementation/management grant~~ by a local partnership may not be used for capital expenses ~~for~~, 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. ~~However, funds may be made available for renovating, refurbishing, or upgrading of existing facilities used to support First Steps to School Readiness activities and services for children, families, and providers from funds made available to the partnerships in Section 59‑152‑150(C) and Section 63‑11‑1750(A). The county partnership must demonstrate to the satisfaction of the First Steps to School Readiness Board that the capital expenditure is:~~

~~(1)~~ ~~a priority need for the local initiative and other state or federal funds for such projects are insufficient; and~~

~~(2)~~ ~~necessary to provide services to under‑served children and families.~~”

SECTION 17. Section 59‑152‑130 of the 1976 Code is amended to read:

“Section 59‑152‑130. (A) ~~The County First Steps~~ 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. ~~Private~~ The First Step partnership shall encourage private individuals and groups ~~must be encouraged~~ 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‑~~140~~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. ~~Expenses, including those paid both by cash and through in‑kind contributions, incurred by other nonstate entities participating in county partnerships may be included in determining matching funds.~~

(B) The ~~Office of the~~ South Carolina First Steps to School Readiness agency shall establish guidelines and reporting formats for ~~county~~ partnerships to document expenses to ensure they meet matching fund requirements. The ~~office~~ agency 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 ~~County~~ First Steps partnerships.”

SECTION 18. Section 59‑152‑140 of the 1976 Code is amended to read:

“Section 59‑152‑140. To ensure effective use of funds, awards under contract for ~~County~~ First Steps Partnerships, with the approval of the ~~Office of~~ First Steps to School Readiness agency, 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.”

SECTION 19. Section 59‑152‑150 of the 1976 Code is amended to read:

“Section 59‑152‑150. (A) The ~~Office of~~ First Steps to School Readiness agency 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. Additionally, the accountability system shall require competitive bids for the purchase or procurement of goods and services of ten thousand dollars or more. A bid other than the lowest bid may be accepted by a majority vote of the ~~county~~ partnership board if other considerations outweigh the cost factor; however, written justification must be filed with the ~~Office of~~ First Steps agency. The ~~Office of~~ First Steps agency may contract with outside firms to develop and ensure implementation of this standard fiscal accountability system, and the ~~Office of~~ First Steps agency may inspect fiscal and program records of ~~county~~ partnerships and developing partnerships to ensure their compliance with the required system. The ~~Office of~~ First Steps agency 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 ~~County~~ 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 ~~County First Steps~~ 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 non‑state 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 ~~County~~ First Steps partnership must be deposited in a separate fund subject to review by the First Steps agency and the State Board.

(D) Disbursements may be made only on the written authorization of the individual designated by the ~~county~~ 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.”

SECTION 20. Section 59‑125‑160 of the 1976 Code is amended to read:

“Section 59‑125‑160. (A) The South Carolina First Steps to School Readiness Board of Trustees shall establish internal evaluation policies and procedures for ~~County First Steps~~ 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 agency shall provide targeted assistance and/or the South Carolina First Steps to School Readiness Board of Trustees may terminate the grant. ~~In addition, a program evaluation of The First Steps to School Readiness initiatives at the state and local levels must be conducted every three years~~ 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. ~~However, the selected evaluator shall be approved, and the evaluation overseen, by a committee consisting of three members, one appointed by the First Steps Board, one appointed by the President Pro Tempore of the Senate and one appointed by the Speaker of the House. These committee members must be professionally recognized as proficient in child development, early childhood education, or a closely related field. The first report shall be provided no later than January 1, 2003.~~ 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) ~~County First Steps~~ 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 ~~must~~ 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 ~~the initiative on children and families at the state and local levels~~ 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. ~~Program~~ Each program evaluation ~~reports~~ report must be reported to the General Assembly no later than three months after conclusion of the evaluation. ~~All County First Steps~~ Local partnerships shall cooperate fully in collecting and providing data and information for the evaluation of their funded strategies.”

SECTION 21. Section 63‑11‑1720 of the 1976 Code is amended to read:

“Section 63‑11‑1720. (A) There is created the South Carolina First Steps to School Readiness Board of Trustees which must be chaired by the Governor, or his designee, and must include the State Superintendent of Education, or his designee, who shall serve as ex officio voting members of the board. ~~The board is composed of the twenty appointed, voting members as follows:~~

(B) In making the appointments specified in subsection (C)(1), (2), and (3) of this chapter, the Governor, President Pro Tempore of the Senate, and the Speaker of the House of Representatives shall seek to ensure diverse geographical representation on the board by appointing individuals from each congressional district as possible.

(C) The board shall include members appointed in the following manner:

(1) The Governor shall appoint ~~two members~~ one member from each of the following sectors:

(a) parents of young children;

(b) business community;

(c) early childhood educators;

(d) medical ~~or child care and development~~ providers; ~~and~~

(e) child care and development providers; and

(~~e~~f) the General Assembly, one member from the Senate and one member from the House of Representatives.

(2) The President Pro Tempore of the Senate shall appoint one member from each of the following sectors:

(a) parents of young children;

(b) business community;

(c) early childhood educators; and

(d) medical or child care and development providers.

(3) The Speaker of the House of Representatives shall appoint one member from each of the following sectors:

(a) parents of young children;

(b) business community;

(c) early childhood educators; and

(d) medical or child care and development.

(4) The chairman of the Senate Education Committee or his designee.

(5) The chairman of the House Education and Public Works Committee or his designee.

(6) The chief executive officer of each of the following shall serve as an ex officio ~~nonvoting~~ voting member:

(a) Department of Social Services ~~or his designee~~;

(b) Department of Health and Environmental Control ~~or his designee~~;

(c) Department of Health and Human Services ~~or his designee~~;

(d) ~~Department of Mental Health or his designee;~~

~~(e)~~ Department of Disabilities and Special Needs ~~or his designee~~;

(~~f~~) ~~Department of Alcohol and Other Drug Abuse Services or his designee;~~

~~(g)~~ ~~Department of Transportation or his designee;~~

~~(h)~~ ~~State Budget and Control Board, Division of Research and Statistics or his designee; and~~

~~(i)~~  ~~State Board for Technical and Comprehensive Education~~

(e) State Head Start Collaboration Officer; and

(f) Children’s Trust of South Carolina.

~~(7)~~ ~~The following organizations shall designate one member to serve as an ex officio nonvoting member:~~

~~(a)~~ ~~South Carolina State Library;~~

~~(b)~~ ~~Transportation Association of South Carolina; and~~

~~(c)~~ ~~State Advisory Committee on the Regulation of Childcare Facilities.~~

(~~B~~D) The terms of the members are for four years and until their successors are appointed and qualify~~, except of those first appointed~~. ~~When making the initial appointments, the Governor, the President Pro Tempore of the Senate, and the Speaker of the House of Representatives shall designate half of their appointments to serve two‑year terms only.~~ The appointments of the members from the General Assembly shall be coterminous with their terms of office.

(~~C~~E) Vacancies for any reason must be filled in the manner of the original appointment for the unexpired term. A member may not serve more than two terms or eight years, whichever is longer. A member who misses more than three consecutive meetings without excuse or a member who resigns must be replaced in the same manner as his predecessor. Members may be paid per diem, mileage, and subsistence as established by the board not to exceed standards provided by law for boards, committees, and commissions. A complete report of the activities of the First Steps to School Readiness Board of Trustees must be made annually to the General Assembly.”

SECTION 22. Section 63‑11‑1730 of the 1976 Code is amended to read:

“Section 63‑11‑1730. To ~~carry out its assigned functions, the board is authorized, but not limited to~~ oversee and be accountable for the South Carolina First Steps to School Readiness Initiative, the board shall in accordance with the APA:

(1) develop and facilitate a comprehensive long‑range initiative for improving early childhood development and increasing school readiness and literacy, which shall include the specific requirements of Chapter 152, Title 59;

(2) in accordance with the APA, promulgate regulations, establish guidelines, policies and procedures for the continued implementation of the South Carolina First Steps to School Readiness initiative;

(3) provide oversight on the implementation and evaluation of the South Carolina First Steps to School Readiness initiative at the state and ~~county~~ local levels;

(4) ~~facilitate and direct the establishment of developing County First Steps Partnerships and establish the criteria for designation of County First Steps Partnerships;~~

~~(5)~~ establish ~~criteria and procedures for awarding state First Steps grants to County First Steps Partnerships~~ and promulgate grant qualification requirements and a formula by which allocating for qualifying partnership grants must be calculated;

(~~6~~5) ~~provide~~ ensure the provision of technical assistance, consultation services and support to ~~County~~ First Steps Partnerships including: the creation and annual revision of county needs assessments; the prioritization, implementation, and evaluation of each First Steps Partnership’s strategic plans based on needs assessments; and the identification of assets from other funding sources;

(~~7~~6) assess and develop recommendations: for ensuring coordination and collaboration among service providers at both the state and county level, for increasing the efficiency and effectiveness of state programs and funding and other programs and funding sources, as allowable, as necessary to carry out the First Steps to School Readiness initiative, including additional fiscal strategies, redeployment of state resources, and development of new programs;

(~~8~~7) establish ~~results oriented~~ and implement results‑oriented measures and objectives and assess whether services provided by ~~County~~ First Steps Partnerships to children and families are meeting the goals and achieving the results established for the First Steps initiative pursuant to Chapter 152, Title 59;

(~~9~~8) receive gifts, bequests, and devises for deposit for awarding grants to First Steps Partnerships; and

(~~10~~9) report annually to the General Assembly by January first on activities and progress to include recommendations for changes and legislative initiatives and results of program evaluations.

(10) establish and promulgate internal policies and procedures to allow the optimal operation of the board, and which must include but not be limited to an established and consistent process for making decisions;

(11) develop, implement, and document an annual performance process for the Director of the First Steps agency as directed by the Agency Head Salary Commission;

(12) establish and promulgate bylaws for adoption by local First Steps Partnerships;

(13) establish and promulgate internal evaluation policies and procedures for local Partnerships for annual review pursuant to Chapter 152, Title 59; and

(14) arrange for the conduction of an independent external program evaluation pursuant to Chapter 152, Title 59.”

SECTION 23. Section 1‑5‑40(A) of the 1976 Code is amended by adding an item at the end to read:

“(107) South Carolina First Steps to School Readiness Board of Trustees”

SECTION 24. Sections 59‑152‑80 and 59‑152‑110 of the 1976 Code are repealed.

SECTION 25. This act takes effect upon approval by the Governor.

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