

South Carolina Statistics:

State Population.....4.724 million
(US Census 2012)

0-6 population.....296,401
(Kids Count 2012 – ages 0 to 4 yrs. 11 months)

Poverty level.....28% of children
(Kids Count-2011)

of local collaboratives.....46

Total Early Childhood Funding:

- \$432/child for 0 to 2 yrs. (180,307)

\$1,314/child for 3 to 5 yrs. (181,119)

Estimates for SC done by Child and Family
Policy Center (January 2013)

Total Funding (FY 2013):

46 County Partnerships -

13.46 million (state)

IDEA Part C (Baby Net) -

1.79 million (state)

7.09 million (Federal)

Child Development Education Pilot

Program - 2.46 million (state)

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March 2014

South Carolina First Steps to School Readiness

“The directive for strong community mobilization has created very great challenges for the First Steps initiative. Strong community mobilization of families, neighbors, faith organizations, businesses, health and human services providers, non-profit organizations, and educators is not business as usual. In fact, such mobilization must overcome the powerful forces of fragmented, narrow programs supported by categorical dollars, run by persons trained in specific disciplines, and accountable to separate and independent state or local authorities. These categorical providers are usually absorbed fully with the arduous task of providing quality services with limited resources to their program-specific target groups.” – Baron Holmes, Senior Research Analyst at the Children’s Law Center at the University of South Carolina

South Carolina First Steps to School Readiness was signed into law in 1999 to help improve school readiness for the state’s youngest learners. In some counties, one out of four children was arriving at school without the skills, abilities and a disposition toward school that would help him/her succeed. First Steps was created to address this problem via a comprehensive, results-oriented, statewide education initiative to help prepare children to reach first grade healthy and ready to succeed. There were two main goals of First Steps: (1) to provide comprehensive services and support to young children and their families to enhance school readiness and optimal development; and (2) to mobilize communities to provide for the enhanced services and supports.

Every South Carolina County created a First Steps partnership comprised of business and community leaders, early education professionals, parents, and faith-based and agency partners. First Steps partnerships examine unmet needs in their communities to help local young children (0-5) and their families and mobilize resources beyond state-allocated dollars, leveraging local private and public funds, federal grants, planned gifts, in-kind contributions, and volunteer time.

The SC General Assembly laid out eight guiding principles in the act to direct this “performance audit”/“program evaluation”:

1. School readiness/holistic child development as the desired result of the initiative;



2. Comprehensive community partnerships, supported by a broad state partnership;
3. Comprehensive services and support for young children and their families;
4. Effective services (based upon proven/best practices);
5. Coordination of all efforts to support young children and their families;
6. Plan-ful design and development of services and activities;
7. Fiscal responsibility; and
8. Accountability for efficiency, effectiveness, and readiness results.



The state’s only entity focused exclusively on increasing school readiness outcomes for all children, First Steps focuses on five broad strategy areas: early education, family strengthening, child care quality, a healthy start, and school transitions.

The First Steps authorizing legislation included a renewal clause and First Steps was reauthorized in 2006. Currently up for reauthorization, the bill that is being considered eliminates the sunset clause and makes adjustments to the initiative, which is almost 15 years old.

The authorizing legislation stated that all counties would be part of First Steps and so it was a statewide initiative from the outset, including a First Steps entity in all 46 counties. County conveners were identified in each county and organized a countywide meeting where the initial partnership board members were elected, based on guidelines from the legislation. (See local collaborative section for guidelines.)

In February 2010, the South Carolina First Steps Board of Trustees was named by Governor Sanford as South Carolina’s early childhood advisory council.

State-Level Governance

At the state level, First Steps is administered by South Carolina First Steps, a state government agency that is currently housed for administrative purposes within the Department of Education. First Steps is governed by a board of trustees with 22 voting members and 11 non-voting members and is chaired by the governor. The

trustees include 10 Governor appointees; 4 President of the Senate appointees; and 4 Speaker of the House appointees. Other members include the chairs of the Senate and House Education Committees; the

Superintendent of Education; the chief executive officers from Department of Social Services; Department of Health and Environmental Control; Department of Health and Human Services; Department of Mental Health; Department of Disability and Special Needs; Department of Alcohol and Other Drug Abuse Services; Department of Transportation; the Budget and Control Board’s Division of Research and Statistics; and one representative each from the State Library, the Transportation Association, and the State Advisory Committee on the Regulation of Child Day Care Facilities.

While the state office has no direct authority over the local First Step partnerships, it allocates funding to them, has oversight responsibility for the state funding and may withhold funding, based on performance.

Overall Funding

As a state government agency/entity, SC First Steps’ primary income/appropriation is derived from the South Carolina State General Assembly. The total appropriation for the state fiscal year beginning July 1, 2013 (FY 14) was \$27,205,209. This funding supports four major budget categories:

“ First Steps focuses on five broad strategy areas: early education, family strengthening, child care quality, a healthy start, and school transitions.”

- 1) Early Childhood Services (i.e., local partnerships);
- 2) BabyNet;
- 3) Child Development Education Pilot Program/4-K; and
- 4) Policy & Accountability.

As an Internal Revenue Service 501(c)(3) nonprofit organization, SC First Steps receives private donations to support a variety of service programs.

Staffing

At the state level, First Steps is staffed by the following positions that support its statewide work:

- Executive office (2)
- Program (4)
- Fiscal (3)
- Contracts (1)
- Administrative Assistant/Communications (2)
- First Steps manages the SC Child Development Education Pilot Program (PreK) (7)
- First Steps manages BabyNet (IDEA, Part C) (58 staff: 7 federally-funded, 51 state-funded); staff is mainly field-based.

Local Collaborative Funding

Each county partnership receives an annual grant from SC First Steps. The grant amount/allocation is based on a funding formula that considers factors such as the number of children 0-5, free and reduced lunch, per capita income and five other Kids Count factors. As private nonprofit organizations, they also raise private funds and apply for federal and foundation grants.

Fiscal Accountability Model

All local partnerships are subordinate individual 501(c)(3) organizations, with SC First Steps as the parent organization. The First Steps enabling legislation, Section 59-152-150(A), requires the Office of First Steps to create a statewide standard fiscal accountability system. Some of the items required in the First Steps legislation include:

- A uniform accounting system;
- A system of internal controls;
- Separate and identifiable accounts for all private, in-kind, federal and state funds; and,
- A mechanism to ensure that disbursements are made with written authorizations of the county designee only.

Contracted Accounting Firms

SC First Steps has contracted with two large accounting firms to serve as fiscal agents for the local partnerships. These accounting firms are referred to as Regional Finance Managers (RFM). They are certified public accounting (CPA) firms with professional bookkeepers. These firms:

- are responsible for all areas of county partnerships' accounting, finance and reporting needs;
- are private sector CPA firms with an audit department;
- have written internal controls approved by SC First Steps;
- are more cost effective than having an accounting firm for each county;
- have access to county bank accounts and exclusive access to cash; and
- prepare all state and federal tax reports.

Accounting & Reporting Software Systems

From the inception of First Steps, the contracted software company has been a close partner and has provided excellent accounting software maintenance and network support services, including:

a *Universal Management System (UMS)* that provides:

- Security, as it is accessed only by RFMs and OFS staff;
- Real-time accounting software system (database);
- A County Partnership Budget Spending Plan as the primary source document;
- An accounting structure (*by funding source, programs and then by line items within each program*);
- Budget and revenue control mechanisms to control spending;
- Consistency statewide;
- Capabilities (payroll, accounts payable, fixed assets, personnel, etc.); and
- Capacity to expand with the needs of First Steps.



eThority Financial Reporting Software: eThority is expanding SC First Steps' ability to be versatile and adapt to the changing and growing needs of the 46 local partnerships. It provides:

- Security, as it is accessed by county partnership staff, RFMs and OFS staff;
- Once-daily interface with UMS-accounting software;
- User-friendly viewing by non-accounting staff;
- Ease of training (on-site or 1-on-1 sixty-minute webinar session); and
- Versatility of report formats.

Financial Audits

- Performed annually, on-site at RFM offices, on behalf of local partnership boards;
- “Walk-through” procedural reviews are performed at local partnership offices;
- County partnerships are provided final drafts that have undergone the following process:
 - Draft for review and comment
 - Board designee signature required before final is issued
 - Final for official documentation

Advocacy

The state office provides some coordination for statewide advocacy efforts. With the goal of educating the community about early brain development and early education, a local executive director leadership council works with the state on these efforts. Training is also offered to local partnerships on outreach and communications. Periodically, the state has offered advocacy training. There is no formal statewide advocacy plan and First Steps does not have a lobbyist.

Local Collaborative Overview

Each partnership has a volunteer board and legislation requires the following membership:

- Not more than two members from each of these categories are elected to sit on each county First Steps partnership board:
 - Pre-kindergarten through primary educator;
 - Family education, training, and support provider;
 - Child care and early childhood education provider;
 - Healthcare provider;

- Transportation provider;
- Non-profit organization that provides services to families and young children;
- Faith community; and
- Business community.
- Three parents of pre-school children (being served by First Steps programs);
- Four members from early childhood education;
- After the county partnership board has been formed, if necessary to assure that all areas of the county are adequately represented and county diversity reflected, each county legislative delegation may appoint up to four additional members; and
- Each of the following shall designate one member:
 - County department of Social Services;
 - County department of Health and Environmental Control;
 - Head Start;
 - County library; and
 - Each of the school districts in the county.



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Local partnerships vary in the amount and type of office space and other infrastructure they have; many of them are provided in-kind space from the school district or other community partner.

Partnerships submit a grant application each year to receive First Steps funding from the state legislature. Funding is allocated according to a funding formula that takes into account several factors including the population of children 0-5 in a county, as well as the number of children on free and reduced price lunch and other risk factors from Kids Count data. The formula was adopted by the State Board and the demographics are updated annually.

The legislation dictates that no more than 8% of a local partnership budget can be used for administrative expenses and requires a minimum of 15% in local matching funds, including cash and in-kind contributions. The state First Steps office and Board of Trustees provide guidance and oversight for programs and services. First Steps partnerships are aligned by regions, of which there are seven, and encouraged to meet as regions and develop collaborations as appropriate.



Local Staffing

Each local partnership board hires staff as determined by local needs and a grant funding plan is approved by the state. Each county has an executive director. Most are full-time employees but, in small counties, there are a few part-time directors. Other staffing is determined by local programming and funding. Some partnerships contract services out to other agencies while others offer direct services and hire staff to provide these services.

Technical Assistance and Support to Regional Collaboratives

Over the past 14 years, First Steps State Office technical assistance has evolved to meet the changing needs of local county partnerships and to adapt to the opportunities provided as the early childhood education field advances its knowledge and experience within the state and nation. From 1999-2001, technical assistance was focused on the convening of 46 local county partnership boards and ensuring their operation as individual nonprofit organizations. Initial planning grants, followed by implementation grants, were awarded. TA was process-focused on building boards, ensuring compliance with adopted by-laws, and putting in place a highly accountable fiscal system for the distribution and tracking of funds. Outside agencies and individuals were contracted to provide local board orientation and training, as well as to develop a plan for assessing program impact.

In 2004, the state was divided into seven regions and a technical assistant was assigned to each. At this time, the state office also assumed the role of program administration for Countdown to Kindergarten,

providing direct support to those counties interested in implementing this school transition strategy. The State Strategic Plan (the Blue Print) outlined strengths and areas of improvement which began to direct TA efforts away from process and more towards collaboration and programming. The strengths included: strong statewide school readiness infrastructure; good use of public and private resources; research; and a focus on accountability. Areas of improvement included: a lack of consistent, statewide priorities, leading to a diffused message of First Steps' value; undue emphasis on process and administration; and operational "silos" within the school readiness community.

In 2006, with the launch of the 4-K Child Development Education Pilot Program (CDEPP) and the Centers of Excellence Expansion Proviso, state level programs expanded within local partnerships. In addition, High/Scope Educational Research Foundation External Evaluation noted the need for a data and evaluation focus, prompting the board to adopt new data policies for First Steps and turning TA efforts towards this area.

From 2007 through 2008, the State Board adopted First Steps Program Standards and Common Outcome Measures, First Steps' Client Data System was overhauled and the board adopted County Renewal Plan reviews focused at the program strategy level. In light of these policy changes, TA increasingly became more program-focused. During this time, the Executive Director Leadership Council was convened to facilitate communication between the state office and 46 local partnerships. One council responsibility was to organize statewide meetings of executive directors.

In 2009, First Steps experienced significant mid-year budget cuts. State office staff devoted to county level TA was reduced from seven members (one per region) to five, as a result of the State Board's decision to prioritize funding for direct services at the local level. Travel to provide on-site TA was restricted. Webinars and conference calls became the central means of communication. County partnerships were also provided a standardized template for strategic planning to complete community-wide gap assessments (VISION toolkits).

During 2010, First Steps was named by the governor as both the lead agency for BabyNet and the SC early childhood advisory council. Given these added

responsibilities, TA staff juggled the need to provide support to local partnerships and to assist with integrating these new state level responsibilities. TA moved from a program focus to a community building focus. In 2012-2013, TA staff was further reduced so that now there are just four staff members assigned to support 46 counties. Each TA staff member has an assigned area of expertise. These areas include: resource development and grant writing; parenting and home visiting; 4-k/CDEPP; and community and business engagement. The TA team shares questions and issues across the counties it is individually assigned to support.

During a recent legislative audit, state technical assistance was found to be under-resourced. As a result of the audit, a work team was convened to review state level technical assistance and offer recommendations for improvement. Before the work teams began, focus groups were convened and a statewide partnership online survey, which included questions regarding partnership TA needs, was conducted.

The following recommendations for future technical assistance are now under consideration by the State Board of Trustees:

1. Organize state office technical assistance around the key critical functions for county partnerships:
 - Board Operations and Development;
 - Community Relations –Marketing/Legislative Outreach/Collaboration;
 - Program Area of Parenting/Family Strengthening;
 - Program Area of Child Care/Early Education (4K);
 - Program Area of Special Needs - Developmental Delays/Screening/Referral (BabyNet);
 - Data Analysis, Evaluation, Accountability;
 - Fund Raising/Grant Writing; and
 - Finance – accounting, reporting, budgeting.

This can be achieved by hiring staff with expertise in a specific area or by designating an outside resource/s that could meet identified needs in a timely and efficient manner.

2. Include an annual county partnership technical assistance plan as part of the grant renewal process. The plan could be organized around the key critical functions of a local partnership and serve as a means of assessing TA needs and determining TA activities and allocation of resources for the year ahead. It should be a check-list (narrative added as needed) so that it is not burdensome and can be easily compiled.
3. Focus on building Local Partnership Board capacity by:
 - Implementing a partnership board self-assessment of performance, enabling local boards to gauge how well they are meeting their statutory and strategic planning goals. This process could also serve as a means of recognizing and rewarding superior board achievement. The assessment would be created

“ Local partnerships have been calling for more statewide meetings and more face-to-face time for networking.”

by a team of local and state level stakeholders and, once completed, each board would go through a process with external reviewers to validate its conclusions; and

- Creating easily accessible and standardized board orientation materials and resources.

During First Steps’ first three or four years, there was a large two-day statewide conference held each year with keynote speakers, break-out workshops, banquets, etc. As budget concerns mounted, the number of statewide meetings decreased and there was more reliance on webinars and conference calls. Local partnerships have been calling for more statewide meetings and more face-to-face time for networking. Since the release of the legislative audit report in June 2013, there have been three statewide meetings and another is scheduled this year. Monthly conference calls are held to update partnerships on internal First Steps issues and share information. Monthly webinars are held which deal with First Steps issues and highlight partner programs and new research in the field.



Local Collaborative “Snapshot”- York County First Steps

York County First Steps main office is located in York, SC, an area of almost 700 square miles, with a population of 234,635, including 18,474 children under the age of five. Rock Hill is the largest city and, with the addition of Fort Mill, the eastern portion of the county is an extension of Charlotte, North Carolina, with many amenities and services. The western portion of the county is extremely rural, with few services.

Created in 1999, York County First Steps builds on a community approach in the way in which it serves children in a comprehensive manner. Partnering with other county agencies and organizations, it focuses on early education, parenting education and support, and health strategies to meet the needs of young children and their families in preparing children to succeed.

It accomplishes its work with only four staff members, in an office located in a school district building in Rock Hill. Many of the services provided are through contracted services with partner agencies and organizations. The staff of four includes an executive director, a program administrator and two early learning specialists.

York County First Steps is governed by a board of directors that meets every other month and includes two standing committees, an executive committee and a finance committee. Additional work is addressed through ad-hoc committees. The First Steps funding the organization receives represents roughly 65% of its total FY 2014 budget of \$833,000. The remainder includes in-kind donations, grant funding, and funding from foundations, businesses, civic organizations and individuals. All services are provided by professionally trained individuals--either direct staff or employees of contracted service providers.

Performance Measurement

The scope of work for First Steps is aimed at improving school readiness for children 0-5 and includes the following:

“All activities and services provided by a First Steps 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.

The legislation states that counties must participate in an external statewide evaluation every three years. The purpose of the evaluation is to assess progress toward achieving the First Steps goals and to determine the



Pros and Cons of South Carolina's State/Local Model

Pros

- There is local control and decision-making in every county as it serves as the local convener, providing priority and focus on early childhood interventions.
- There is an established network that is connected in every county in the state that provides for wider and deeper reach into communities.
- The model creates a means to find children and families that are most at-risk and hardest to reach.
- Local partnerships are a conduit for local leadership and empowerment.
- It is advantageous to have an organization in every county that is charged with a school readiness goal and is the point of entry for young children and families and an expert source on early intervention.
- By having a local First Steps collaborative in each county, services and interventions can be tailored to meet the specific needs of children and families in partnership with other community agencies and organizations, as duplication is avoided and there is a concentration on filling in gaps of service.
- Mobilization of local resources is best accomplished by those closely connected to their community.
- The model provides the opportunity for someone to become the resident expert on early childhood interventions for the community, which includes not only the families of the children needing services but also civic and business leaders looking to make their community a better place to live for all citizens.

Cons:

- In counties where the board is not strong and engaged, there can be a lack of quality control and accountability.
- Local directors are hired by volunteer boards and vary in their management skills and knowledge about nonprofit operations and responsibilities.
- When one county doesn't function well, it can affect the reputation of the entire First Steps initiative.
- While there is value to county-based First Steps offices, some small counties struggle due to funding and lack of infrastructure and could be better served by merging with another county partnership and sharing services and administrative costs.

impact of the initiative on children and families at the state and local levels. The External Evaluation Reports completed in 2003, 2006 and 2009 are accessible on the South Carolina First Steps website at:

<http://www.scfirststeps.org/evaluations.htm>

In addition, the Board of Trustees has established internal evaluation policies and procedures for county First Steps partnerships for an annual review of the functioning of the partnership, implementation of strategies, and progress toward the interim goals and benchmarks. This occurs through an annual renewal plan process. Inadequate performance requires the state office of First Steps to provide targeted assistance and, on rare occasions, the State Board of Trustees has withheld grant funding for programs that are underperforming. First Steps Program and Operations Accountability Standards and Renewal Plan Review Template are attached.

In summary, the three-year external performance audit/program evaluation is conducted to assess both impact on children and families, and progress toward achieving First Steps goals, as described in the introductory section of this profile. In addition, First Steps requires specific performance measures be adopted and updated annually by the State Board of Trustees, which evaluates all locally funded programs.

Without a strong state office presence for centralized guidance, the mission for each county partnership can suffer from slightly differing interpretations that dilute the branding of First Steps as an agency.

Major Accomplishments

- First Steps has reached a statewide population of children and families – especially those with fewer resources, who have less access to services.
- Stronger community partnerships with a spirit of collaboration have been created, along with locally generated initiatives built on relationships and trust.
- Non-traditional partners, especially in the private sector, are now engaged around early childhood efforts.
- The quality of services has improved statewide and there is a focus on fidelity to program models due to use of program standards and accountability measures.
- From 2001 to 2010, the first grade retention rate in SC was reduced by forty-eight percent. This is the only statewide measure that has been identified for school readiness and is attributable to the work led by First Steps at the local and state level.

Key Components to Success at the State Level

- Strong leadership at state and local levels;
- Balance of local autonomy to reflect local needs, and state oversight to ensure accountability and work towards overarching common goals;
- The adoption of concrete indicators of progress by the state that can be assessed uniformly and used to create a common goal for local communities to focus efforts and enlist stakeholders to work together toward results.

Key Components to Success at the Local Level

- The ability to demonstrate results; in today's financial and results-oriented environment, programs and interventions have to be able to demonstrate results;
- The commitment to develop the level of community awareness that is needed to make early childhood interventions a priority;
- Opening up the dialogue to include the broader community, including business and civic leadership



- who should see an early childhood investment as an investment in the future of the community;
- Strong community partnerships and a spirit of collaboration.

Lessons Learned

- Clearly defined expectations for each local partnership should be set from the beginning that help the local partnership office function as a link to resources for children 0-5, and their families.
- Smaller counties need additional resources when their budgets don't provide the means to foster a full-time community connector.
- Accountability measures should be in place early to provide a mechanism for assessing local functioning and developing corrective actions where they are needed.
- First Steps has created many community partnerships throughout the state and the key to their success lies in local leadership, which requires a particular focus and ability to use resources to achieve outcomes.
- Focus on leadership development at the local level, as it is key to succeeding.
- Maintain the means of strong accountability for clearly defined performance measures.
- Be patient. It takes a great deal of time to change community priorities. Listen to the community leaders and learn how to do things within the "system" but also learn how to get things done "outside the system." Getting things done successfully will bring additional support.
- Study how other communities have been successful and where they have struggled. Apply what is relevant



to your community and listen for and be sensitive to the subtle differences that exist. Once you get the infrastructure in place to provide services and ensure that funding is being effectively used, redirect the board to more community-building efforts and fund development.

- Statewide messaging and branding are critical to communicating a statewide image that will leverage local First Steps services throughout local communities.

Interviews

Debbie Robertson, *Director of Quality and Business Engagement*, SC First Steps

David Lisk, *Executive Director*, York County Partnership for Children

Resources

- [South Carolina First Steps website](#)
- [York County Partnership for Children](#)
- [First Steps Annual Plan Format](#)
- [First Steps Renewal Plan Review Checklist FY 2014](#)
- [First Steps Grant Agreement](#)
- [First Steps Program and Accountability Standards FY 2014](#)
- [First Steps Program Standards](#)