Director’s Message

Dear Friends:

For nearly fifteen years, South Carolina First Steps and its partners across the state have joined forces to help families prepare their children for school and life success. Brain research tells us that positive early learning experiences can have lifelong impact. Because of our single-focused collaboration, South Carolina’s young children are succeeding at far higher rates than ever before.

We are charged with five goals at First Steps:

“(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; 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.”
-Section 59-152-20

First Steps’ work to mobilize families and community partners around these goals is working – with South Carolina children succeeding at historic levels in the early grades. **Between 2001 and 2013, first grade retention has dropped by 52% statewide.** This is great news for kids—who are achieving in higher numbers than ever—and great news for taxpayers, who are saving over $30M per year because of lower primary grade remedial costs.

We all know how important the early years are to ensuring academic and life success. First Steps is proud to stand with parents, teachers, caregivers and other partners as they make every day count for our youngest learners. Turn the pages of this report to see how our work is making a difference for our children.

**Thank you, South Carolina, for your commitment to our future and our greatest resource: our children!**

Susan W. DeVenny, Director
SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES/SOUTH CAROLINA EARLY CHILDHOOD ADVISORY COUNCIL
2012-2013

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Ms. Leesa Benggio, South Carolina State Library
Mr. Jim Griffith, Transportation Association of South Carolina
First Steps Works

- First Steps has increased accountability within the state's early childhood system since 1999, expanding evidence-based programs, developing nationally recognized program and data standards and adopting common, statewide outcome measures. As part of a continuous improvement model, First Steps leaders have implemented the recommendations of five separate external evaluations/reviews since inception.

- The First Steps fiscal accountability model includes an audit of each local Partnership and preparation of a (state-level) audited financial statement – all completed annually by the Office of the State Auditor. First Steps’ most recent audited financial statement received an “unmodified” (clean) opinion – the field’s highest distinction.

- In First Steps’ most recent external evaluation, 66% of parents who initially scored at a low level of parenting skill improved their abilities to moderate or high levels after participation in a First Steps parent education program. First Steps has delivered more than half a million parent education home visits since inception.

- First Steps brought Nurse-Family Partnership (NFP) to South Carolina and has served as the program’s state sponsor since 2008. The program serves children and mothers in 19 SC counties through a wide collaboration of public and private entities. A recent birth-outcome analysis conducted by DHEC showed that low-income mothers receiving this evidence-based nurse home visitation program were:
  - 173% less likely to require admission to a neonatal intensive care unit (NICU)
  - 111% less likely to be born pre-term (less than 37 weeks)
  - 105% less likely to be born at a low birth weight

- According to an independent analysis by the High/Scope Educational Research Foundation, childcare providers participating in First Steps quality improvement programs made statistically significant gains in each of seven domains quality measured.

- A 2013 analysis by the Education Oversight Committee suggests that students participating in the CDEPP 4K program – when matched against non-participating students with similar risk factors – were 7% more likely to score “Exemplary in Reading” as 3rd graders. These same students were 6% less likely to score “Not Met in Reading.”
An independent analysis suggests that students participating in First Steps’ community-based 4K settings achieved comparable school readiness results to those of children enrolled in public 4K settings at a significantly lesser cost. First Steps currently delivers 4K in 42 private and faith-based settings at a cost 20% less than that of the state’s public school districts ($4,690 vs. $5,812 per child), providing choice for families and support for working parents who rely on child care.

Since inception in 1999, local First Steps Partnerships have leveraged 47 cents in private/other funding for every dollar in state funds they have received.

In 2008 the General Assembly eliminated the South Carolina Readiness Assessment, our state’s only common school readiness metric. Since then, the First Steps Board of Trustees has tracked 1st grade retention – not as a measure of First Steps’ programs, which are themselves independently evaluated – but as a measure of the state’s collective success in preparing young children for school. Between 2000 and 2012, first grade retention has decreased by 51% - resulting in an annual savings of $23M to taxpayers. These figures are cause for celebration and attributable to parents, school districts, childcare, Head Start, agency partners, the faith and business communities – all partners in policy-making within First Steps unique public-private structure.
About First Steps

South Carolina’s comprehensive school readiness initiative helps parents as they prepare their young children for success in school and life.

**Why we need to start early.**
Investing in strong early learning experiences for kids makes good sense. We know from brain research that a child is born with 100 billion neurons, and that 90% of the brain’s full potential is formed by age four. We have a great opportunity to help families and caregivers during this critical window. Studies show that positive early experiences for young children help shape their long-term success, while also saving public remediation dollars.

**How First Steps can help.**
In each of South Carolina’s 46 counties, First Steps expands early learning services available for young children, their families and caregivers. These services fall in five important areas:

- Healthy Start/Early Intervention
- Family Strengthening
- Quality Child Care
- Early Education
- School Transition

**How you can find us.**
Each county is served by a local **First Steps Partnership**, whose local board of directors and staff are in place to meet the school readiness needs of the community.

**South Carolina First Steps** provides funding and technical assistance to the state’s network of independent, non-profit **First Steps County Partnerships** so that services are available to the children who need them.

SC First Steps works with other agency and community partners to offer **BabyNet**, South Carolina’s early intervention program under Part C of the federal Individuals with Disabilities Education Act (IDEA). BabyNet provides early intervention services to infants and toddlers (birth-36 months) with identified developmental delays.

We also sponsor two nationally-acclaimed home visitation programs for families in South Carolina: **Nurse-Family Partnership (NFP)** and **Parents as Teachers (PAT)**. In 2013, we are proud to be in our 7th year of service to SC’s eligible 4-year olds, through our partnership with the South Carolina Department of Education to offer 4K to families through the **Child Development Education Pilot Program (CDEPP)**.
Healthy Start/Early Intervention (BabyNet)

BabyNet is the state’s early intervention (special education) program for infants and toddlers, serving children with developmental delays from birth to 36 months. Children and families have access to early intervention services statewide through BabyNet.

Enhancements to South Carolina’s Early Intervention System (BabyNet) since the program was moved to First Steps include:

**Increased Accountability**

- First Steps has worked extensively with the US Department of Education and national technical assistants to establish all required general supervision structures:
- Issued formal “findings of non-compliance” and “determinations of performance” to providers of service coordination (October 2011)
- Initiated service **provider billing audits** (November 2011)
- First Steps has responded to 24 recommendations of the Legislative Audit Council’s June 2011 report (retrospective review of the program at the time BabyNet was transferred to First Steps).
- Added **parent verification of developmental services** (2012)

**Reversed Unsustainable Spending**

- At the time of transfer, BabyNet has established an unsustainable trend in entitlement spending amidst rising service delivery costs.
- This trend has been reversed through a number of reforms, including:
  - **Matching BabyNet service rates** to comparable rates within Medicaid (September 2011)
  - Requiring **parental verification** of all services delivered (January 2012)
  - Eliminating **regional service boundaries** that resulted in higher costs and inconvenience to families (July 2012)

**Improved Service Delivery**

- As reported annually to the US Department of Education, **outcomes for children and families served by BabyNet have continued to improve** following the lead agency transfer. More children are identified as exiting BabyNet functioning on the same level as their peers and more families report they are better able to help their child grow and develop as a result of receiving BabyNet services.
- First Steps has held **8 public hearings** since January of 2010, allowing families access to program leaders and input on key decisions.
- A pilot project integrating developmental screening and referrals for children ineligible for BabyNet is underway, **enhancing collaboration between seven First Steps County Partnerships and local BabyNet offices**. (July 2012)
- In March 2014 First Steps will launch a **new BabyNet data system**, BRIDGES, which will provide the system's first ever electronic educational record, which can be accessed by each member of the child’s interdisciplinary team, improving service delivery and efficiency.
**Family Strengthening**

“Under First Steps’ leadership, Parents as Teachers in South Carolina has set the national example in fidelity and accountability. We hold you up to other states doing home visitation as an example of how it can be done right.” - Scott Hippert, CEO, Parents as Teachers National Office

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**Dick & Tunky Riley WhatWorksSC Award**

In October 2013, First Steps’ Parents as Teachers program was honored by The Riley Institute at Furman University as one of three finalists for the Dick and Tunky Riley WhatWorksSC Award. The annual award highlights outstanding educational initiatives throughout the state with proven records of success.

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**How Does Home Visiting Help Families?**

Home visitation brings one-on-one coaching and education directly to families to help with their most important job: to be great parents.

First Steps believes that parents are a child’s best teacher and promotes rigor in South Carolina’s home visitation programs as a school readiness strategy, currently supporting several nationally-recognized, research-based and promising home visitation models:

<table>
<thead>
<tr>
<th>Program Model</th>
<th>2013 Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Nurse-Family Partnership (NFP)</strong></td>
<td>800 mothers 19 counties</td>
</tr>
<tr>
<td>Nurses paired with first-time mom prenaturally to age 2; training, support and referral</td>
<td></td>
</tr>
<tr>
<td><strong>Parents as Teachers (PAT)</strong></td>
<td>1,169 families 1,427 children 21,653 visits 31 counties</td>
</tr>
<tr>
<td>Parent mentor trained to enhance effective parent-child interaction, developmental parenting skills, and literacy for children 0- 5. Developmental screenings, validated curriculum, and assessment.</td>
<td></td>
</tr>
<tr>
<td><strong>Parent-Child Home (PCH)</strong></td>
<td>149 families 156 children 6,642 visits 3 counties</td>
</tr>
<tr>
<td>Parent mentor trained to support effective early literacy behaviors in children ages 0-5</td>
<td></td>
</tr>
<tr>
<td><strong>Save the Children Early Steps to School Success</strong></td>
<td>180 families 222 children 3565 visits 4 counties</td>
</tr>
<tr>
<td>Community and school tied to home visitor and literacy activities; assessment and mentoring, group meetings augment program</td>
<td></td>
</tr>
</tbody>
</table>

Home visitation includes:

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

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**First Steps’ Home Visitation Impact:**

- 61,068 families served since 2001
- 563,867 home visits since 2001

**High/Scope Evaluation (2010):**

“Parents in First Steps’ home visitation programs saw significant increases in their pre- and post-assessments. Overall, 54% of participants who scored low in parenting skill improved to moderate skill levels, 44% who had moderate parenting skills moved to high skill levels, and 12% who scored low on parenting pre-test increased their skills to high quality.”

**First Steps Embeds National Best Practice in SC Home Visiting Programs:**

- In 2006, First Steps established the first required use of interactive assessments within home visitation programs making our state a model for the nation.

- First Steps partnered with the General Assembly and the Duke Endowment to bring Nurse-Family Partnership to South Carolina in 2008. The current investment in NFP in South Carolina now stands at nearly $25 million, leveraged from a state investment of $1M.

- First Steps partnered with Save the Children International to help establish Early Steps programs for children under 3, bringing with it Save the Children’s literacy, afterschool, nutrition and fitness programs for local preschool and elementary school children.
Quality Child Care

How Quality Child Care Helps Children Prepare for School

Babies and toddlers need interactive, safe, and nurturing environments to help them grow, develop and ultimately prepare for school. Families rely on child care partners to support this early learning. Child care programs may lack resources available to publicly-funded early childhood programs, such as educational materials, on-site professional development and training.

First Steps’ Child Care Quality support includes onsite Technical Assistance (TA), Quality Enhancement (QE), and Training- each component intended to support early learning partners in the child care classroom. Participating child care providers must serve a significant percentage of at-risk children, and are selected through a competitive process.

First Steps provides affordable, high quality training that meets the needs of the local child care workforce. Training is integrated with other strategies and coordinated with community partners. Pre/post assessments of the classroom environment and teacher-child interaction, using nationally-recognized observational tools for infant/toddler and preschool settings assess the impact of the training and coaching activities (environmental rating scales ITERS, ECERS, FCCERS).

First Steps-sponsored training is certified through the SC Center for Child Care Career Development and includes topics in the state-regulated areas of nutrition, health and safety, curriculum, child guidance, professional development and program administration.

Best practices in training include not only needs-based training, but also follow-up technical assistance in the classroom. First Steps provides onsite coaching to support quality early learning and school readiness partnerships with the child care community.

First Steps’ Quality Enhancement and Training Impact

<table>
<thead>
<tr>
<th>2001 to 2013</th>
<th>Average per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers served</td>
<td>3,971</td>
</tr>
<tr>
<td>Children enrolled in centers served by First Steps</td>
<td>172,148</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2008 to FY 2013</th>
<th>Average per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child care quality assessments administered</td>
<td>1,709</td>
</tr>
<tr>
<td>Assessment improvement pre- to post (7 point scale – 2013 figure)</td>
<td>-</td>
</tr>
<tr>
<td>Technical assistance visits to providers by First Steps</td>
<td>19,702</td>
</tr>
<tr>
<td>Technical assistance hours</td>
<td>40,935</td>
</tr>
</tbody>
</table>

High/Scope Evaluation

“Universally, child care centers and providers who participated in First Steps Quality Enhancement strategies showed significant increases in pre/post scores of assessed child care quality.”

-First Steps Evaluation
High /Scope Educational Research Foundation, 2010

“Through this project, we have been able to provide more information to the parents. I have also seen my staff interact more with parents, helping them to understand their child’s development. The ability to reward staff has been wonderful, and helps us to let them know how much they are appreciated.”

Judy Layman, Director
Creative Learning Center
Edgefield, SC

2013 Intensive Quality Enhancement Strategies

19 Counties
115 Centers Enrolling 4,950 children
2,636 Technical Assistance Visits Completed
5,864 Technical Assistance Visit Hours
14.42% Average Improvement in Center Quality (Measured Pre -Post using the Environmental Rating Scales)
Public-Private 4K Works for South Carolina Families:
A 2013 analysis by the Education Oversight Committee suggests that students participating in the CDEPP 4K program – when matched against non-participating students with similar risk factors – were **7% more likely to score “Exemplary in Reading”** as 3rd graders. These same students were **6% less likely to score “Not Met in Reading.”**

Giving Parents a Choice for Preschool
South Carolina First Steps to School Readiness partners with high-quality private and community-based preschools to offer full-day four-year-old kindergarten for families in eligible counties. Approved programs focus on developmental and learning supports that children must have in order to be ready for school, incorporate research-based curriculums, ongoing assessment, and parenting education.

Eligible children must be four on or before September 1, reside in one of 37 specified school districts, and qualify for free- or reduced-price lunch or Medicaid. CDEPP is jointly administered by SC First Steps (private and community-based schools) and the SC Department of Education (public schools).

<table>
<thead>
<tr>
<th>PROGRAM YEAR</th>
<th># OF CDEPP CHILDREN</th>
<th># OF CDEPP PROVIDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07 (FY 07)</td>
<td>309</td>
<td>40</td>
</tr>
<tr>
<td>2007-08 (FY 08)</td>
<td>482</td>
<td>48</td>
</tr>
<tr>
<td>2008-09 (FY 09)</td>
<td>459</td>
<td>40</td>
</tr>
<tr>
<td>2009-10 (FY 10)</td>
<td>524</td>
<td>39</td>
</tr>
<tr>
<td>2010-11 (FY 11)</td>
<td>548</td>
<td>36</td>
</tr>
<tr>
<td>2011-12 (FY 12)</td>
<td>583</td>
<td>43</td>
</tr>
<tr>
<td>2012-13 (FY 13)</td>
<td>600</td>
<td>42</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,505 Children</td>
<td></td>
</tr>
</tbody>
</table>

**High Scope Educational Research Foundation:**

“With only one year of data, [private] CDEPP children were not significantly different... on every SCRA scale compared to [public school] full-day 4K and non-4K children. They also had significantly lower speech impairment and learning disability diagnoses. This may demonstrate the potential for implementing public programs in private settings in a less expensive manner with similar results.” pp. 148-149


**SC Education Oversight Committee:**

“Children’s findings for the cross-year sample indicate modest and meaningful progress in language, achievement, and social and behavioral development. Children’s retention of important educational skills also shows that the competencies learned in pre-kindergarten were maintained through their kindergarten year.” p. 14


**Key Results:**

- Private CDEPP students are receiving comparable learning experiences for 20% less cost to taxpayers ($4,690 vs. $5,812 per child).

- First Steps is leveraging the availability of existing space in private child care centers, with no capital costs to taxpayers.

- First Steps ensures quality and accountability by making announced and unannounced monitoring visits approximately twice monthly. Participation in First Steps’ CDEPP program, in combination with other quality supports, has positively influenced overall center quality for all children (**100% of CDEPP providers have maintained quality levels; nearly half have advanced one or more ABC child care quality levels since the program’s inception.**)}
School Transition
(Countdown to Kindergarten)

“Countdown is the greatest thing that’s ever happened to children in South Carolina. The relationships built over the summer between the teacher and families created a trust and support that has helped the children blossom in kindergarten. The only way to break the cycle is to model for parents how effectively they can work with their own children through reading and playing and learning with hands on materials.”
- Gayle Troutman, Kindergarten Teacher, Burnside Elementary School

Why focus on School Transition?
The weeks before school entry provide a unique window of opportunity to connect families and schools.

Countdown to Kindergarten (CTK) is a home visitation program which matches the families of high-risk rising kindergartners with their future teachers during the summer before school entry. Teachers complete six visits with each family, centered on classroom and curriculum expectations.

Countdown to Kindergarten is designed to meet three goals:

- Establish lasting home-school bonds rooted in trust and mutual respect;
- Enable parents and teachers to reach common expectations for their student for the coming school year; and
- Establish strong student-teacher relationships that will facilitate the home-school transition and enhance classroom learning.

First Steps’ School Transition Impact:

- **8,453** families served since 2004
- **50,524** teacher visits since 2004

During the summer of 2013, 853 children received 4,924 Countdown to Kindergarten home visits at an estimated cost of $311 per child.

In 2005, the National Governors Association identified Countdown to Kindergarten as a promising state practice in their publication *Building the Foundation for Bright Futures: A Governor’s Guide to School Readiness.*

High Scope Evaluation:

In 2009 the High/Scope Educational Research Foundation completed an external review of Countdown to Kindergarten, noting the strategy's potential to powerfully shape both subsequent interaction and classroom practice. Researchers noted that:

“Over 75% of home visitors reported making some or a great deal of change in their instruction, experiences, practices, activities on the first day of school and the methods by which they communicate with parents as a direct result of their CTK experience.” (p.93)

And concluded that:

“All participants, whether home visitor or parents, report the significant impact this strategy has on professional practice, parent-teacher relationships, and parent participation in and child attitudes toward kindergarten.” (p.148)

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Key Results:

Asked at the conclusion of their 2011 CTK experience:

- **100% of participating** teachers noted their belief that the **program had met its three goals**, with **52%** reporting that these goals were far exceeded.

- Participating teachers reported that **86% of CTK parents were as involved or more involved** than other parents on a measure of six key indicators of parental involvement (attendance at parent teacher conferences, communicating with the teacher, volunteerism, etc.).
South Carolina First Steps to School Readiness
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Appropriations</td>
<td>$18,125,283</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>$6,541,640</td>
</tr>
<tr>
<td>Medicaid Reimbursements</td>
<td>$754,669</td>
</tr>
<tr>
<td>Local and Private Grants</td>
<td>$501,179</td>
</tr>
<tr>
<td>Interest Income</td>
<td>$92,779</td>
</tr>
<tr>
<td>Contributions</td>
<td>$1,655</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$26,017,205</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocations to Other Entities</td>
<td>$13,2008,227</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$8,265,889</td>
</tr>
<tr>
<td>Salaries</td>
<td>$3,040,651</td>
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<tr>
<td>Employer Fringe Benefits</td>
<td>$1,025,048</td>
</tr>
<tr>
<td>Rent and Leases</td>
<td>$225,240</td>
</tr>
<tr>
<td>Materials</td>
<td>$157,290</td>
</tr>
<tr>
<td>Travel</td>
<td>$122,149</td>
</tr>
<tr>
<td>Equipment</td>
<td>$2,114</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$26,046,608</strong></td>
</tr>
</tbody>
</table>

Excess of Expenditure Over FY13 Revenues (29,403)
Net Change in Fund Balance (29,403)
Fund Balance July 1, 2012 $2,329,338

**Fund Balance June 30, 2013** $2,299,935

FY13 Revenues/Expenditures duplicated from:
South Carolina First Steps to School Readiness Report on Audit of Financial Statements
For the Year Ended June 30, 2013
To view this full report visit the SC Auditor’s Website at: