**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) ‘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.

(D) ‘Preschool child’ means a child from the prenatal stage through age five.

(E) ‘Promising 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.

(F) ‘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 board of trustees may carry out its assigned functions by developing a comprehensive long‑range initiative for improving early childhood development, increasing school readiness, 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, 2014:

(1) adopt a description of school readiness that includes specific:

(a) characteristics and development levels of a ready child;

(b) requirements 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; and

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

(B) The board of trustees shall review the school readiness description, benchmarks, and objectives and adopt any revisions it considers appropriate before July 1, 2014, again before January 1, 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 board of trustees, in consultation with the State Board of Education, local school districts, and others as the board of trustees considers appropriate, shall recommend to the General Assembly or one more assessments to evaluate and measure the school readiness of students and the goal pursuant to Section 59‑152‑30(1). The board of trustees shall consider assessments that are research‑based, recognized nationwide as reliable for measuring school readiness, and that the board of trustees considers suitable for determining the instruction and interventions needed to improve school readiness. A school readiness assessment may not be used to deny a student admission or progression to kindergarten or first grade.

(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 board of trustees 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.”

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, 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 the South Carolina First Steps to School Readiness Board of Trustees, 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) recommend to the board the applicants meeting the criteria for First Steps partnerships and the grants to be awarded;

(5) 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, 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~~ five years ~~thereafter,~~ to ensure that statewide goals and requirements of the First Steps to School Readiness initiative are being met; and

(7) 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;~~ A Local First Steps Partnership Board must be established in each county in this State. A local partnership board must be comprised of individuals with resources, skills, knowledge, and interest in improving the readiness of young children for school.

(B) The 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 must 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 consist of the following:

(1) a minimum of twelve and a maximum of twenty‑four members, with no more than four from any one of the following categories, must be selected from the following categories to sit on a First Steps Partnership Board:

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

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

(~~d~~c) healthcare provider;

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

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

(~~g~~f) faith community; ~~and~~

(~~h~~g) business community;

(h) members of the philanthropic community; and

(i) 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~~ If necessary 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 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.

(~~E~~D) 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 years; however, membership on the board may not exceed six consecutive years.

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

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

(7) 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 effectiveness of services for young children and their families;

(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 budget.

(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 schools 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.”

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 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~~ 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) Effective July 1, 2013, the first sixty percent of funds allocated to First Steps partnerships by the South Carolina First Steps School to Readiness Board of Trustees must be distributed as base funding to local partnerships whose applications were approved by the Office of South Carolina First Steps to School Readiness. The grant allocations ~~for the grants shall take into consideration the quality of the grant proposal;~~ must consider 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.~~

(D)(1) The remaining forty percent of funds allocated to First Steps partnerships by the board of trustees must be distributed to partnerships whose applications were approved by the Office of South Carolina First Steps to School Readiness as provided in item (2).

(2) The Office of South Carolina First Steps to School Readiness shall determine and establish criteria and procedures for the evaluation factors to be weighted as follows:

(a) twenty‑five percent of the forty percent must be distributed based on the quality of the grant proposal;

(b) twenty‑five percent of the forty percent must be distributed based on the First Steps accountability standards; and

(c) fifty percent of the forty percent must be distributed based on the level of interagency, cross‑county, and cross‑organization collaboration, with more weight given to proposals that the board considers most likely to maximize the efficient use of resources for early childhood education.

(E) In conjunction with the independent external program evaluation as established pursuant to Section 59‑152‑160, the board of trustees shall conduct a formal review of the funding process provided in 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 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. 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.

(B) At least seventy‑five percent of state funds appropriated for programs and services must be used by the local partnership for evidence‑based programs. Not more than twenty‑five percent of state funds appropriated for programs and services to a local partnership may be used for promising 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. 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, 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 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) Private funds received by a ~~County~~ First Steps partnership must be deposited in a separate fund.

(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~~ five years by an independent, external evaluator under contract with the South Carolina First Steps to School Readiness Board of Trustees. However, the selected evaluator ~~shall~~ must 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.~~

(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. 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 evaluation reports 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.”

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 and must include the State Superintendent of Education 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 consult each other working toward the goal of geographical representation on the board by appointing individuals from the following categories to ensure that each congressional district is represented.

(C) The board is composed of twenty members appointed in the following manner:

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

(a) parents of young children;

(b) business community;

(c) early childhood educators;

(d) medical ~~or~~ and child care and development providers with one member being from each profession; and

(e) 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 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) Department of Commerce or his designee;

(i) Department of Employment and Workforce or his designee;

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

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

(l) State Commission on Higher Education;

(m) State Head Start Collaboration Officer; and

(n) 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; and

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

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

(8) There must be two executive directors of local partnerships serving ex officio, nonvoting members who must be elected by their peers with one executive director representing the rural regions of the State and one executive director representing the urban areas of the State.

(~~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. Sections 59‑152‑80 and 59‑152‑110 of the 1976 Code are repealed.

SECTION 22. This act takes effect upon approval by the Governor.

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