

MINUTES OF THE BOARD OF DIRECTORS OF
SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES
A SOUTH CAROLINA NONPROFIT CORPORATION
February 17, 2005

Voting Directors Present: (14) Mr. Dan Wuori, Secretary
Ms. Judith Aughtry
Mr. G. Lee Cory
Dr. Thaddeus John Bell
Ms. Claudia T. Cordray
Ms. Marileen Chapman
Ms. Kristin Hook
Ms. Sabine Lang
Senator John W. Matthews, Jr.
Mr. Walter Miller
Mr. Henry Parr, Jr.
Supt. Inez Tenenbaum (represented by Dr. Linda Mims)
Ms. Lisa Van Riper
Senator Linda Short

Voting Directors Absent: (6) Governor Mark Sanford, excused
Mr. Lewis T. Smoak, excused
Ms. Doris Ballard, excused
Ms. Linda M. O'Quinn, excused
Ms. Katherine Davis, excused
Representative Bessie Moody-Lawrence

Non-Voting Directors Present: Ms. Kim Aydlette, DSS, represented by Ms. Rita Paul
Ms. Susan Jones, designee for Ms. Elizabeth Mabry, DOT
Ms. Hope Rivers, State Board of Technical & Comprehensive
Education, designee for Dr. James Hudgins
Mr. Jim Johnson, Director, SC State Library

Others Present: Mr. Rodney Jenkins, State Office of First Steps
Dr. Baron Holmes, SC Budget and Control Board
Mr. Russell Brown, SC First Steps
Mr. Leon Love, SC First Steps
Ms. Nikki West, SC First Steps
Ms. Susan DeVenny, SC First Steps
Ms. Felice Lampert, SC First Steps
Ms. Debra Session, SC First Steps/DSS
Ms. Tamala Toney, SC First Steps/DSS
Ms. Wendy Homeyer, SC First Steps
Mr. Jason Gilbert, SC First Steps
Ms. Angela LeVan, SC First Steps
Ms. Dorothy Priester, SC First Steps
Ms. Nancy Burchins, Richland County First Steps Partnership
Mr. Jim Riddle, Executive Director, Lexington County
First Steps Partnership
Mr. Rick Noble, Executive Director, Richland County
First Steps Partnership
Ms. Jannie Harriott, Executive Director, Allendale County
First Steps Partnership

Ms. Patricia Caldwell, Executive Director, Newberry County First Steps Partnership
Ms. Centuria Watson, Executive Director, Chester County First Steps Partnership

Welcome and Call to Order

In the absence of Mr. Lewis Smoak, Vice-Chair, Mr. Dan Wuori, Secretary, called the meeting to order and welcomed all in attendance. The minutes of the January 20, 2005 Board of Trustees meeting were seconded and approved.

Committee Reports

Funding Formula Ad-Hoc Committee

Mr. Dan Wuori passed the gavel to Mr. Lee Cory during this committee report. Mr. Wuori reported the Funding Formula Ad Hoc Committee had met to address the formula by which funds are distributed to counties. Mr. Wuori stated the funding formula is based on a number of different factors specified by law including such demographic items as population, Kids Count data, per capita income and census data.

The committee's first recommendation is to update all demographics using statewide data available through Budget and Control Board. Mr. Wuori reported the committee has been working with Rodney Jenkins to update both census data, in terms of population, per capita income in the county, and also to reconcile those numbers to be consistent with the most recent Kids Count data available.

The committee's second recommendation is to reallocate the 5% of the formula formerly assigned to CSAB, the cognitive skills assessment battery which is South Carolina's former first grade readiness test. Mr. Wuori reported that data is no longer available. Mr. Wuori stated the new readiness assessment does not offer a readiness score and recommended that the 5% formerly assigned to CSAB be reallocated into the 20% of the formula set aside for children in grades 1 – 3 who receive and qualify for free and reduced priced lunches, making that now 25% of the formula up from 20%.

Mr. Wuori reported, that at a point in the future, in collaboration with the Department of Education, the Ad Hoc Committee would consider reassigning this 5% of the formula, once a reasonably reliable way to measure school readiness can be determined. Senator John Matthews' asked if the formula was statutory driven? Mr. Cory advised that all the factors listed in the statute were incorporated into the formula. Mr. Wuori advised that the percentages were not statutorily driven, but the state board derived the formula from provisions in the statute.

Mr. Cory made a motion that the 5% be moved from factored b-1 (school readiness) to factor b (children in grades 1-3 free and reduced priced lunch) and update census status. Mr. Cory reported as information, that the latest census data reported, there had been a reduction of 41,000 children, ages birth thru 5 years, in this state since the last census. Motion approved.

Strategic Planning and Administration Committee

Mr. Lee Cory, Chair, reported as information that the contracts First Steps presently has with the six Regional Finance Managers across the state extend through February 2006. Mr. Cory stated that request for proposals would be sent out to re-bid the RFM contracts to be effective March 2006.

Mr. Cory reported that it was the recommendation from staff that the Strategic Planning and Administration Committee make a motion that the county contract periods are extended from three to five years, subject to annual renewal before it has to be re-bidding. Mr. Wuori advised a motion from the Strategic Planning Committee did not need a second and asked for discussion. After a brief discussion the motion was approved.

Mr. Cory reported there had been preliminary discussions among the board, various committees and staff, relative to a board re-organization and it has now been finalized into a recommendation and presented to

the board as a motion. He called upon Ms. DeVenny to describe the board reorganization into sub committees with areas of expertise. Ms. DeVenny stated that the idea behind board re-organization is to put expertise from the board into a structure that allows board members to use their expertise in reviewing strategies, both state, local and lottery strategies. Ms. DeVenny directed the board's attention to the hand-out and went over the re-organizational chart with board members. .

Mr. Wuori stated there was a motion coming from the Strategic Planning Committee to approve the re-organization of the board further discussion was advised. None taken, and the motion was approved. Each committee was asked to elect a chair for their committee.

Mr. Cory reported the next area of re-organization is that currently First Steps has nine regions in the state in which the counties are sub-divided, with six Regional Finance Managers. Mr. Cory made a recommendation to the board that they approve going from nine to six regions, which would be more efficient from the standpoint of oversight, interfacing with staff and that they were reducing the number of regions for counties. Mr. Wuori called for discussion; being none the motion was approved.

Mr. Cory reported as information, that First Steps was a small state organization handling a large sum of money. Mr. Cory reported that an employee of one of the RFM's had misappropriated some First Steps funds for their personal use, which was discovered in the June 30, 2004 audit. Mr. Cory also reported that this misappropriation was discovered quickly and full restitution is being made by the RFM. Mr. Cory reported that during the time this misappropriation was taking place, there was always sufficient funds available to all the county partnership within that region to pay all bills. Mr. Cory reported the final amount of loss had not been determined and would be determined within the next couple weeks and a full report would be made to the board at the time all investigation is completed.

Applications/Grants

In the absence of Ms. Doris Ballard, Chair, Judith Aughtry reported for the Applications/Grants Committee. Ms. Aughtry, asked the board to refer to FY 2005 Reallocation of Funds sheet in their board packets and reported as information only Fairfield County had moved \$5,905.00 from private funds to Facility Quality Enhancement Grants to fund ITERS/ECERS expenses. Ms. Aughtry also reported as information only Greenwood County moving \$3,316.00 from private funds to Administrative Functions to be used to pay Administrative Assistant's salary. Ms. Aughtry reported that Horry and Greenwood Counties had presented new strategies. Ms. Aughtry further advised that Greenwood County would like to implement a Facility Quality Enhancement Program for \$24,323.00 to provide funding for 5 childcare providers to achieve accreditation and another strategy for \$24,365.00 to implement Healthy Families to aid parents of children 0-6 receive their GED's. Ms. Aughtry reported that Horry County wanted to implement a Facility Quality Enhancement Program for \$28,608. to implement Parents as Teachers program to target a portion of the population of children 0-3 to serve 20 families and a second strategy in the amount of \$9,500.00 to implement a library based program in partnership with Horry County Library's Outreach program, 950 children to be reached.

Mr. Cory asked how much of the \$15,000.00 requested by Greenwood to aid parents in receiving their GED's would be used for that purpose. After a brief discussion it was determined that the board would move to temporarily postpone the family literacy strategy until additional information is obtained from Greenwood County First Steps Partnership and move forward to approve Greenwood's Facility Quality Enhancement program. A motion was made and approved.

Mr. Wuori asked for questions relating to Horry County's two strategies. Mr. Miller asked if there were any standards of integration being provided Horry County's library based program other than books in addition to the referrals from DHEC and local pediatricians. Jason Gilbert reported that in using Dollywood monies they do have standards of integration. After a brief discussion, Horry County's strategies were approved.

Ms. Aughtry brought the following motion from the Applications/Grants Committee: The state office is authorized to approve all reallocations for already approved strategies, less than 15%. The Applications/Grants Committee would continue to review and submit all new strategies to the full board for

approval. All county reallocations will be provided to the state board as information. After a short discussion a motion was made to accept and approved.

First Steps Early Learning Lottery Strategies

Dr. Linda Mims moved that Strategy #3 be eliminated and that Strategy #8 be amended to include the objective of Strategy #3. The reasons for this motion are that DSS has delayed the implementation of Palmetto Stars and may not be pilot testing a rating system this spring. However, the motion acknowledges First Steps' continued commitment to child care quality improvement and will allow First Steps Regions or counties to submit quality improvement pilot plans. By approving this motion, regions will be allowed to implement quality improvement pilot projects as a part of Strategy #8, provided in-kind or cash match is identified at the county or regional level.

The motion to move Strategy #3 to Strategy #8 was approved.

Dr. Mims also moved that Strategy #4A be eliminated and funds moved to Strategy #4B which will become Strategy #4. This motion is offered because Strategy #4A, which authorized the issuance of a request for proposals through the Materials Management Office of the SC Budget and Control Board, did not yield fundable proposals offering to provide two classrooms per region and that the intended implementation date of January 2005 was missed. Dr. Mims asserted that there is not enough time left in the 2004-2005 school year to offer a quality 4K experience for young persons who had reached the age of four by September 1, 2004. By withdrawing the request for proposals, and granting the dollars to First Steps Regions, regional partnerships may contract for two 4k-expansion classes per region, to be implemented by June 1, 2005. These classes will be targeting children turning 4 by September 1, 2005. All vendors responding to the withdrawn RFP will be encouraged to apply through the regions, and school districts who could not find a private partner/provider in the #4A bid, but who can meet the scope of the 4k-expansion classroom, will be allowed to apply to regions. Extra points will be awarded to proposals that have a public-private partnership.

After discussions, the motion was adopted.

Evaluation and Accountability

Mr. Walt Miller, Chair, due to laryngitis asked Lisa Van Riper to report for the Evaluation and Accountability Committee. Ms. Van Riper reported that the Evaluation and Accountability Committee has a work plan they had approved for High/Scope Evaluation and that the Readiness group had been created.

Executive Committee

Mr. Wuori reported the Executive Committee had met immediately following the February 20, 2005, Board of Trustee's meeting. Mr. Cory reported that Senator Short approved the revised motion shared with the board at the last month's state board meeting relative to adoption and implementation of a rating system and moving forward with doing what we can to improve the quality childcare in the state. Mr. Cory advised that the Executive Committee has approved the motion as written and circulated via e-mail to the full board.

Director's Report

Ms. Susan DeVenny introduced Ms. Rita Paul, Department of Social Services and advised she would be reporting on an update regarding Child Care Regulations.

Rita Paul, gave a short update on Palmetto Stars and Child Care Regulations. Ms. Paul reported that DSS is pulling back a little on Palmetto Stars, the rating system, and would not be doing a field test in the spring. She stated it is important to continue conversations and collect more information before they roll out the rating system. The rating system for childcare is a way of improving the quality; and before any rating system is implemented it is important that providers be prepared to participate in the rating system. Ms. Paul advised this is an area First Steps could make a valuable contribution in helping providers to get ready.

Ms. Paul reported the proposed regulations for child care facilities have been subject to much debate recently. Ms. Paul reported there is an advisory committee, appointed by the Governor that has advising consent over the promulgation of any new regulations for child care. This group was charged with producing proposals to change current child care regulations. Ms. Paul reported the statute requires regulations be renewed every three years and there has been no changes to child care regs. in South Carolina since 1993. She reported South Carolina is way behind and has some of the weakest child care regulations in the nation. She stated there was a lot of discussion; changes and compromises had been made and the proposed regulations had gone through an Administrative Law Judge hearing, with more input and changes at this level, and submitted to the General Assembly, where they remain. Ms. Paul reported the major changes has to do with group size and changes to child staff ratio.

After some discussion, Lisa Van Riper made a motion that First Steps support the proposed child care regulations and encourage further discussion related to the establishment of group size in the future. No other discussion, the motion was approved.

Ms. DeVenny encouraged the board to ask businesses to apply for the Family Friendly Workplace Awards and reported the award has two goals. The first goal is to recognize all South Carolina businesses that have policies and practices in place to support families and the other is to encourage other businesses to take on this type activity.

Ms. Debbie Robertson, of the First Steps staff, briefed the board on the upcoming Family Friendly Workplace Awards event for this year, scheduled for April 15, 2005 at Myrtle Beach, SC.

Ms. DeVenny directed the board's attention to the final National Governor's Association report enclosed in the board packets for review. Ms. DeVenny thanked the board for their input into this national school readiness report. She also noted the mention of South Carolina's Countdown to Kindergarten school transition strategy in the national report.

Ms. Debbie Robertson gave a brief update on Countdown to Kindergarten and reported a survey had been sent out in December, which confirmed a continued higher level of interaction between parents and children. Several county directors present at the meeting reported on the success of Countdown to Kindergarten in their counties and encouraged that it be continued.

Partnership and Collaboration Report

Mr. Leon Love advised the board that the original eight lottery strategies have been reduced to six, with services to children and families beginning in five of the six. Written reports will be provided to the board and partnerships as strategy implementation continues.

Operations and Accountability Report

Mr. Rodney Jenkins directed the board's attention to the Budget Summary and Finance Statement enclosed in their board packets. Mr. Jenkins reported total OFS current administrative/program FY'05, year to date budget which show \$1.1M shows First Steps are within year to date expenditures. Mr. Jenkins reported there were some outstanding commitments yet to be paid and once these are paid this number will decrease. Mr. Jenkins reported First Steps is in good shape and is within budget through June 30, 2005.

Mr. Jenkins also reported, First Steps had just received a copy of the Revenue Outlook Update from the Bureau of Economic Advisor's, which should keep First Steps funding sound.

Mr. Wuori advised that Representative Ronald Townsend, Chairman of the House Education Committee, had appointed Representative Bessie Moody-Lawrence of York County to the First Steps Board to replace Representative Vida Miller.

Mr. Wuori reminded the board that the next meeting of the First Steps Board of Trustee's would be March 17, 2005 and that the April meeting would be held at Lang-Mekra North America. Mr. Wuori also advised

the board there would be a new board organizational sub committee meeting, beginning at 10:00 am, March 17, 2005.

Meeting adjourned.

Daniel F. Wuori, Secretary
South Carolina First Steps to School Readiness
Board of Trustees, a South Carolina Nonprofit
Corporation

APPROVED this the ____ of March, 2005

Lewis Smoak, Vice Chair
South Carolina First Steps to School Readiness
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