

**MINUTES OF THE BOARD OF DIRECTORS OF
SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES
A SOUTH CAROLINA NONPROFIT CORPORATION**

December 13, 2007

MINUTES

- Voting Directors Present: Mr. Lewis Smoak, Vice-Chair
Senator Michael Fair
Superintendent Jim Rex
Mr. Henry Parr, Jr.
Dr. Floyd Creech
Ms. Lisa Van Riper
Ms. Marileen Chapman
Ms. Nicky Wallace
Ms. Julia-Ellen Davis
Ms. Judith Aughtry
Rev. Reece Yandle
Dr. Francis Rushton
- Voting Directors Absent: Governor Mark Sanford
Senator Michael Fair
Ms. Linda O'Quinn
Ms. Sabine Lang
Senator John Matthews
Representative Bessie Moody-Lawrence
Dr. Thaddeus Bell
Ms. Katherine Davis
Ms. Kristin Hook
Ms. Marileen Chapman
Superintendent Jim Rex
- Non-Voting Directors Present: Ms. Susan Jones (designee, SC DOT)
Ms. Lane Jeselnik (designee for Dr. Garrison Walters, SC
Commission on Higher Education)
Dr. David Goble, Director, SC State Library
Mr. Tim Ervolina, President/CEO, United Way of SC
- Non- Voting Directors Absent: Ms. Angela Flowers (designee, for Ms. John McGill, SC DMH)
Ms. Emma Forkner, Director, SC DHHS
Mr. Lee Catoe, Director, DAODAS
Mr. Jim Griffith, Director, Transportation Assn. of SC
Dr. Paul Krohne, President, SC School Board Association
Mr. David Potter, SC Education Oversight Committee
Mr. Tim Ervolina, President/CEO, United Way of SC
Ms. Stephanie Frazier (designee for Mr. Barry Russell,
President, SC Tech College System)
Dr. Nancy Freeman, Regulatory Advisory Committee

Ms. Lane Jeselnik (designee for Dr. Garrison Walters, SC
Commission on Higher Education)
Ms. Jennifer Buster (designee for Mr. Stan Butkus, SC DDSN)
Mr. Bobby Bowers, Director, SC B&CB/ORS
Mr. David Potter, SC Education Oversight Committee
Ms. Cindy Sweigart (designee for Mr. C. Earl Hunter,
Director, SC DHEC)
Dr. Kathleen Hayes, Executive Director, SC DSS

Others Present:

Ms. Susan DeVenny, SC First Steps
Mr. Dan Wuori, SC First Steps
Mr. Rodney Jenkins, SC First Steps
Ms. Samantha Ingram, SC First Steps

Call to Order

Mr. Lewis Smoak, Vice Chair, called the meeting to order.

Approval of Minutes

Upon a motion by Mr. Lewis Smoak and a second by Ms. Judith Aughtry the minutes of the October 25, 2007 meeting were approved as written.

Strategic Planning and Evaluation Committee & Finance and Administration Committee

Ms. Lisa Van Riper reported that the committee approved the RFP for the next three-year evaluation in 2009 and the RFP is now being posted for the vendors. Ms. Van Riper said the committee was in the process of seating a Strategic Planning and Evaluation Sub-Committee with Mr. Henry Parr serving as the committee's chair. Ms. Van Riper reported that all First Quarter data had been collected and the committee is working with the Office of Research and Statistics to ensure all data is in place in preparation for the three-year evaluation in 2009. Ms. Lisa Van Riper reported that there is no action needed.

Ms. Judith Aughtry reported there was no other business to be said of the Finance and Administration Committee.

Mr. Lewis Smoak asked Mr. Henry Parr to talk about the Strategic Planning and Evaluation Sub-Committee's upcoming process in looking at what direction First Steps is headed in proposals for early child care. Mr. Henry Parr gave a brief overview of the subcommittee. Mr. Parr said the committee will look closely at everything the First Steps agency is doing, how much money First Steps has and how many children are being served. Mr. Parr said the subcommittee will try to involve major players in early childhood around the state such as Head Start, the Department of Education, the Department of Social Services, the Department of Mental Health and DHEC. Mr. Parr stated that the subcommittee will be made up of members of the First Steps state board along with representatives from the previously mentioned agencies and a few County Partnership Executive Directors. Mr. Parr hopes to come before the full Strategic Planning and Evaluation Committee and the full state board in May with a proposal as to what strategies have been shown to really fare the best results on a long-term basis and where we should spend our money and efforts towards.

Program and Grants Committee

Dr. Floyd Creech reported on the Program and Grants Committee meeting. Dr. Creech said the committee looked at the spending for FY07 and found that 40 of the 46 counties spent more than 95% of the allocated recurring budget. Dr. Creech said 97.3% of the money was spent statewide. Dr. Creech said the two counties with the largest amount of money leftover was Florence with 11.7% and Jasper with 8.4%. Dr. Creech said Mr. Russell Brown did a good job at finding the reason for the leftover money. Dr. Creech said Florence had leftover salary money along with materials and transportation funds from the Pee Dee Healthy Start group. Dr. Creech said the Jasper was similar to Florence in that it had vouchers from a child care program that were not used and administrative costs that were not used in indirect programming. Dr. Creech said overall the County Partnerships did a good job of spending their money in FY07.

Dr. Floyd Creech said the committee looked at the match money (legislated 15% requirement). Dr. Creech said there was a match of 55% this year. Dr. Creech inquired about the large amount of match money in the County Partnerships. The committee found that the increase in match money was mostly due to more local donations, federal grants and in-kind money. Dr. Creech said 57% of money was in-kind and 43% was in cash. Dr. Creech referred to a chart made by Mr. Russell Brown showing the increase of the County Partnership Required Match money from 2002.

Dr. Floyd Creech then talked about the administration 8% limitation. Dr. Creech said overall the districts did a great job at keeping administrative costs down to 7.2%. Dr. Creech said a few counties did go over the 8%, but most were due to it being a small county and the county needed that money to make the administration work.

Dr. Floyd Creech said there four counties asked for budget re-allocations in 2007. Dr. Creech said the re-allocations were in dealing with the different counties' programs. Dr. Creech said Abbeville County had a change because the CDEPP program went in to the public schools. Dr. Creech said in Cherokee County there was a change in the Quality Child Care Enhancement strategy. Dr. Creech stated Cherokee County was receiving help from consultants for the strategy but decided to pick up some of the work in-house which in turn gave them more scholarship money through DSS and ABC vouchers. Dr. Creech said Kershaw and Lee Counties both cut the amount of money they were putting into the Dolly Parton Imagination Library strategy. Dr. Creech said Kershaw County used that money to expand their Healthy Families programs and Lee County expand their scholarships in child care.

After Dr. Floyd Creech concluded the committee's report, Dr. Francis Ruston asked if the committee had talked about the County Partnership Monitoring Tool yet. Dr. Creech said his committee did not talk about the tool. Mr. Dan Wuori proceeded to answer Dr. Francis Rushton's question.

Mr. Dan Wuori said the Strategic Planning and Evaluation committee and the Finance and Administration committee looked at the draft of a proposed self-assessment tool and the potential monitoring tool of the First Steps County Partnerships. Mr. Wuori stated that in the early days of First Steps there was a comprehensive monitoring tool called, STEPS, that helped the technical assistance (TA) staff that was working with the counties to evaluate things like whether the board was created in accordance to the enabling legislations, whether they have operating policies and bylaws and their non-profit status all put into place. Mr. Wuori said that the state office of First Steps has phased to a different model of TA focusing more on content specific TA and a little less of general, start-up TA that was important early on. Mr. Wuori said after evaluating the tool, it would be important to reconstitute the tool in hopes to help the County Partnership be well-educated on their obligation and help the local boards what it is they are responsible for within the tool. Mr. Wuori then gave an overview of the monitoring tool.

Dr. Francis Ruston said he was not particularly happy with the monitoring tool because of the work involved for the County Partnership Executive Directors, also that the tool could prepare the local partnerships to be able to defend themselves in a lawsuit and the large amount of actual time it will take to find all pertinent documentation. Dr. Ruston also thinks the tool will re-orientate the local staff to focus on the rules and regulations of the organization rather than the children. Dr. Ruston suggest taking the tool back and try to find a way that people could fulfill each of the requirements with a less intrusive and time consuming way of thinking about whether they are meeting the goals and objectives. Dr. Ruston said the tool was overall too time consuming and evasive.

Mr. Dan Wuori said he agreed and disagreed with Dr. Francis Rushton. Mr. Wuori stated there were other tools in place, such as the County Renewals plans, to monitor the goals and objectives of each County Partnership. Mr. Wuori said the suggested monitoring tool is focused differently on how these goals and objectives would be derived. Mr. Lewis Smoak suggested the tool be as less bureaucratic as possible and Mr. Francis Ruston agreed. Mr. Ruston suggested the monitoring tool take no more than 15 hours of work the Executive Director to complete. Dr. Floyd Creech and Ms. Lisa Van Riper suggested acquiring feedback from the County Partnerships to help figure out if any or all information that has been suggested is needed.

Director's Report

Ms. Susan DeVenny gave a brief overview of the December 5 Executive Director Institute which mainly focused on child care.

Ms. Susan DeVenny updated the board on the Early Childhood Quality Standards Task Force. Ms. DeVenny said the Task Force released a draft of the Final Report due to the legislature in 2008 by law.

Ms. Susan DeVenny gave an update on the Duke Endowment sponsored Nurse-Family Partnership program. Ms. DeVenny said First Steps will be hosting an information meeting in mid-January for eligible counties. Mr. Dan Wuori gave a overview of the Nurse-Family Partnership program. Ms. Betsy Coleman then names off the 13 eligible counties: Greenville, Charleston, Richland, Spartanburg, Lexington, Horry, York, Berkeley, Anderson, Beaufort, Aiken, Florence, and Sumter. Mr. Dan Wuori said the commitment would to pick at least two of the eligible counties to participate in the program. Mr. Wuori said the program should be active by early summer 2008.

Ms. Susan DeVenny gave an update of the Early Reading First Grant (ERF) initiative. Ms. DeVenny said that money would be targeted in two counties, Lee and Darlington. Ms. DeVenny said meetings have taken place with the leaders and Executive Directors and extensive work with an assessment and training at the sites will be forthcoming soon. Ms. DeVenny said the program will be implemented at the local level in child care centers, Head Start sites and public school sites. Mr. Francis Ruston asked how this program would differ from the Reach Out and Read program. Ms. DeVenny said the Reach Out and Read program focuses on the families where as the ERF initiative focuses on the practitioners and said the ERF initiative would be a great compliment to the Reach Out and Read program. Ms. DeVenny also said the board would be hearing a presentation of the Reach Out and Read program at the January 2008 meeting.

Ms. Susan DeVenny gave an update on the CDEPP Pilot Program. Ms. DeVenny said there are two active bills that will be presented to the General Assembly in 2008. Ms. DeVenny stated that the two bills mirror what the proviso looks like, both being public and private and both have the same rules with the Department of Education overseeing the public sector and First Steps overseeing the private sector.

Mr. Dan Wuori then gave an overview of the CDEPP Pilot Program. Mr. Wuori said all but two of the school districts are now participating in the program. Mr. Wuori said the public and private numbers are

up this year. Mr. Wuori said First Steps is now operating the CDEPP program in 49 centers as opposed to 40 centers. Mr. Wuori said enrollment applications are continuing to come into First Steps. Mr. Wuori said First Steps is now serving more 450 children which is more than a 50% increase over last year's enrollment number. Mr. Wuori said First Steps had to terminate its first child care center due to licensing issues that put the center outside the scope of eligibility and the proviso. Mr. Wuori said this incident shows that the CDEPP is accountable. Mr. Wuori said the EOC is close to releasing their first official report of CDEPP to the legislature. Mr. Wuori said the House and Senate bills both essentially take the concept that was introduced in the proviso and expand it to a statewide level serving universal at-risk children.

Ms. Susan DeVenny introduced State Superintendent, Dr. Jim Rex. The following is the verbatim comments by Dr. Rex regarding the partnership that First Steps and the State Department of Education has built around CDEPP.

"Thank you, Susan. Being ahead of the curve, I think, sometimes depends on what the curve is and at the wheel you feel like you're being run over, don't you? I do apologize for not being able to spend a lot of time on this particular call, but I'll be able to call back again in about 15 or 20 minutes. I've got a 3:00 that I'm actually in the car driving to. But, I just want to be sure that everyone on the board understands what I know Susan understands, and that is that I am a strong supporter of this public/private partnership approach. This dragon we call poverty has a lot of strength. It's big and it needs as many people working to slay it as possible across our state. And certainly quality early childhood education is one of the best weapons we all have. And, we need to be working together more, not less, in the future. Susan shared with me the other day that there were some rumors --and how unusual for South Carolina, rumors rampant-- about whether or not I was still supportive of First Steps and of the State Department and First Steps working closely together. I just want to be sure everyone understands that I am and that I continue to be. I was part of a presentation yesterday afternoon to the joint subcommittee on funding in the Senate and we made a number of recommendations. One of our priorities was that we felt this was the year we needed to get a commitment to universal 4K for at-risk children. We can't do it in one year. We gave them a proposal to begin it and to fully implement it [statewide] in two years. One of the Senators asked us point blank, 'Are you still supportive of the public/private partnership as the mechanism for doing this,' and we responded yes. So, if there's ambiguity or uncertainty about that, I don't know where it's coming from, but it's not coming from me or the State Department."

"One thing I want to be sure that you all understand and I think you do, is that I have spent a lot of time at higher education at both public and private institutions and to me the public/private partnership in higher education is a good one, but is a little different than in K through 12 because it's optional. Post-secondary education is optional. My argument for the public/private partnership in 4K is capacity more than anything else. If someone said to me, next year we want all 4K programs in South Carolina to be public, that would be an impossibility, you know that. We don't have the facilities, we don't have the adequately trained teachers, the quantity or quality that we need. Plus, we have a need in our state to improve--- I caught a little bit of Dan's comments when I logged on--we need to improve the quality of early childhood education across our state. We're never going to break this cycle of poverty and what it's doing to our state until we get more serious about having higher standards, higher expectations, higher quality programs in early childhood and child care statewide. To me, that's the power, one of the long-term benefits, of having this public/private partnership in 4K and below. I don't want the State Department of Education to ever get involved in being responsible for zero through three. I like the partnership at the age of 4 as a great transition. And I think one of the powers that we don't recognize enough in that partnership is that it's a way to begin to influence and impact programs in early childhood education in the private sector. I heard Dan talking about how including even a couple of [state-sponsored] students in a program that's already providing services to perhaps 20 students or 15 students. It seems to enhance the quality of that program plus other programs in that setting. So, just so you know

where I'm coming from. That's why I like the partnership because I see it as a way of making 4K stronger and also a way of improving the standards and the expectations and the quality of early childhood education all the way down to zero."

Mr. Lewis Smoak thanked Dr. Jim Rex for his time and comments. Mr. Rex then left the meeting.

Mr. Floyd Creech asked if there were any ideas or proposals to raise the reimbursement rate for 4K providers. Mr. Wuori said there is proposals and First Steps will be looking at the fiscal impact looking for a way to offer benefits and wage raises in order to lower the child care turnover rate. Mr. Lewis Smoak suggested that the newly formed Startegic Planning Subcommittee look at this issue and decide what the state should do to supplement those teachers who qualify and are one the private side sector. Mr. Wuori said the reimbursement rate for this year was determined as a suggestion by the State Department of Education based on the average teacher salary. Mr. Wuori said last year's reimbursement rate was \$3,071 and said this year's rate went up to \$3,931. Mr. Wuori said the transportation reimbursement went up from \$185 last year to \$560 per eligible child this year. Mr. Wuori said the centers also receive a material and equipment grant of up to \$10,000 during the first year of participation in that classroom and then continuing supply money.

Mr. Floyd Creech said he heard a lot of feedback from the private side that has to do with facility issues and the large amount of funds that must go towards paying for the facility as opposed to the public side who are able to use existing facilities. Mr. Lewis Smoak stated that First Steps needs to look at the issue of how to get the job done for the minimum amount of funding while getting the best bang for the buck.

Mr. Floyd Creech asked what would be happening to the 2007 carryover money from the CDEPP program. Mr. Dan Wuori said the money reverts back into the state's general funds. Mr. Floyd Creech asked what had happed to the 2006 carryover money. Mr. Dan Wuori said two-thirds of the money was used to pay for this year's CDEPP program in the public schools and the remaining third was used to expand the Centers of Excellence model and the Nurse-Family Partnership model.

Mr. Rodney Jenkins gave a finance report. Mr. Jenkins directed the board to the \$2 million Centers of Excellence money which showed and the \$4 million Carry Forward money and the \$7.8 million CDEPP money. Mr. Jenkins directed the board to the expenditures in each of the line items mentioned. Mr. Jenkins said the report showed the balance on the 4K line item said according to what was committed at that point and First Steps' part at the state level that there would be \$5 million left over. Mr. Jenkins said the money from the Nurse-Family Partnership is a part of the \$4 million Carry Forward money. Mr. Jenkins said \$1.2 million of the \$4 million Carry Forward money was is obligated to the Nurse-Family Partnership program.

Adjournment

Mr. Lewis Smoak informed the board of the next board meeting on January 17, 2008. With no further business, Mr. Smoak adjourned the meeting.

Lisa Van Riper, Secretary
South Carolina First Steps to School Readiness
Board of Trustees, a South Carolina Nonprofit
Corporation

Lewis Smoak, Vice Chair
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