



Meeting of the Board of Trustees

October 17, 2024 at 2:00 PM

SC First Steps

636 Rosewood Drive Columbia, SC 29201

AGENDA

- I. **Roll Call** (Avian Jones)
- II. **Public Comment Period**
The public is invited to provide comments relevant to the SC Early Childhood Advisory Council and/or South Carolina First Steps during this period. Members of the public wishing to speak must sign up before the meeting. Comments should be limited to no more than three minutes per speaker.
- III. **Call to Order and Approve Agenda** (Dave Morley)
Motion: To adopt the agenda as submitted
Motion: To adopt the August 15, 2024 and September 19, 2024 minutes as submitted
Attachments: SC First Steps Board of Trustees August 15, 2024, SC First Steps Board of Trustees September 19, 2024 Minutes
- IV. **Executive Committee** (Dave Morley)
Attachments: Executive Committee Report, Executive Committee Minutes, Local Partnership Bylaws
- V. **Consent Agenda:** Motions Recommended by Committees (Dave Morley)
 - a. **Motion:** To amend the Local Partnership Bylaws as submitted. (Executive Committee recommends)
 - b. **Motion:** To receive the 2023-24 Fiscal Year Audit as presented by Greene Finney Cauley, LLP. (Finance and Administration Committee recommends)
- VI. **SC First Steps Audit Presentation** (Emily Sobczak)
Attachments: FY203-24 Financial Statements
- VII. **Finance and Administration Committee** (Jesica Mackey)
Attachments: Finance and Administration Committee Report, Finance and Administration Committee Meeting Minutes, FY2024 Financial Status Report as of September 30, 2024, Donations Report as of September 20, 2024
- VIII. **Local Partnership Program and Grants Committee** (Wes Wooten)
- IX. **Legislative Committee** (Sen. Gerald Malloy)
Attachments: Legislative Committee Report
- X. **Strategic Planning and Evaluation Committee** (Dr. Amy Williams)
Attachments: Strategic Planning and Evaluation Committee Report, Strategic Planning and Evaluation Committee Minutes



- XI. **Executive Director's Report** (Mark Barnes)
Attachments: Executive Director's Report

- XII. **Motion:** To adjourn the meeting of the SC First Steps Board of Trustees



Board of Trustees Meeting
August 15, 2024 2:00PM
SC First Steps
636 Rosewood Drive Columbia, SC 29201
Minutes

Trustees Present (14):

Mary Lynne Diggs
Rep. Shannon Erickson
Dr. Matthew Ferguson
John Hayes
Sen. Greg Hembree
Mike Leach
Dave Morley, Chairman
Janie Neeley
Roger Pryor

Mary Anne Scott
Dr. Edward Simmer
Wes Wooten
Sue Williams
Dr. Amy Williams, Vice Chair

Trustees Absent (9)

Rep. Terry Alexander
Dr. Robert Bank
Jacque Curtin
Constance Holloway
Robert Kerr
Jessica Mackey
Sen. Gerald Malloy
Jack McBride
Dr. Brenda Williams

Attendees (80)

Mark Barnes
Avian Jones
Alissa Durham
Alonzo Johnson
Amanda Bailey
Amber Gillum
Amy Breault
Anita Ellison Porter
Anna Layton
April Cromer
Arthur Brewton
Barbara Casper
Berry Kelly
Betty Washington
BJ Norris Long
Brian Butler
Candi Lalonde
Chelsea Adamson
Chelsea Richard
Cheryl Scales
Chiffon McNeil
Cindy Galloway
Cindy Hurst
Cindy Riley
Crystal Williams
Darlyene Gillie

David Lisk
David O'Kelly
Dorian Young
Elaine Gentry
Elizabeth Dudek
Emma Matzko
Felicia O'Neal
Francis Rushton
Gina Beebe
Harriett Clarke
Jade Wright
Jaiden Branch
Janice Kilburn
Jeanette Samuel
John Browne
Jon Artz
Joy Mazur
Julie Greer
Kaitlyn Richards
Karen Oliver
Kate Roach
Kathy Fitzgerald
Katie Jagger
Kenna Hoover
Kerry Cordan
Kim Chariker

Kristen Martocchio
Kristine Jenkins
LaKasha Meredith
Lamikka Samuel
LaMyra Sanders-Dukes
Lexi Jones
Lis Guimaraes
Maebelle Williams
Martha Strickland
Melissa Griffin
Mildred Daniels
Patricia McRoy
Pauletta Plowden
Pauline Whiting
Rachel Amrhein
Renee Williams
Rudilly Dubose
Sabrenna Long
Salisa McTeer
Sarah Eargle
Shannon Allen
Shayla Pettigrew
Sheila Cornwell
Stacy Greenwalt
Tiffany Outlaw
Tyshica McConner

Veronica Reynolds
Victoria Belin



Mr. Morley called the meeting to order at 2:06 p.m.

Mr. Morley requested a motion to adopt the agenda. Mr. Wooten provided the motion, seconded by Dr. Simmer, and the motion was unanimously approved.

Mr. Morley asked for a motion to approve the June 20, 2024 minutes. Mr. Wooten provided the motion, seconded by Dr. Simmer and the motion was unanimously approved.

Chairman Morley reported on the Executive Committee where he shared that the committee met to take action on Local Partnership Executive Director compensation submissions. These actions were taken on behalf of the full board due to their time sensitivity. Effective July 1, Local Partnership Executive Director compensation decisions will go through the formal approval process and will be reviewed twice per year. Mr. Morley provided an update on the Executive Director search process.

Mr. Wooten made a motion to adopt the consent agenda and seconded by Dr. Simmer. Mr. Barnes provided information on the revised formula allocation for the Local Partnerships. The motion was unanimously approved.

- a. **Motion:** To approve the Revised Formula Allocation for the Local Partnerships for 2024-25 based on additional funds appropriated by the state for the 2024-25 fiscal year. (Finance and Administration Committee recommends)
- b. **Motion:** To approve the corrective action determination as presented for the seven (7) local partnerships identified (Abbeville, Aiken, Barnwell, Dorchester, Georgetown, Kershaw, and Richland counties). As a result of corrective action, the local partnerships affected are not eligible to apply for competitive or targeted grants until they have satisfactorily resolved the deficiencies noted on their corrective action plan as determined by SC First Steps state staff. (Local Partnership Programs and Grants Committee recommends)
- c. **Motion:** To approve the program guidelines for Child Care Technical Assistance and Coaching: Teaching Pyramid Observation Tool (TPOT) and Teaching Pyramid Infant-Toddler Observation Scale (TPITOS) for implementation in grant year 2025. (Local Partnership Programs and Grants Committee recommends)

Mr. Wooten reported on the Local Partnership Programs and Grants Committee, where he shared that the following counties are on corrective action plans: Abbeville, Aiken, Barnwell, Dorchester, Georgetown, Kershaw, and Richland. He shared the number of counties on corrective action plans has decreased over recent years.

Mr. Barnes reported on the Finance and Administration Committee where he shared organization's FY2024 end of the year expenditures and where the organization is financially for the new fiscal year.

Ms. Richards provided updates on the FY24-25 budget request where the organization received an increase of over \$11.5 million in state funding. She also shared information regarding the new proviso for the agency to separate from the SC Department of Education.

Dr. Williams reported on the Strategic Planning and Evaluation Committee where she provided an update on the Carolina Collaborative for Early Childhood Innovations initial cohort meeting and plans for



ongoing implementation. Dr. Richard shared the plans for the 2025-2030 strategic plan development and dates of listening sessions for the board to participate in.

Mr. Barnes gave an Executive Director's report where he provided an update on the agency's separation from the SC Department of Education. He also provided updates on the Act 81 implementation process for Local Partnership Executive Director hiring, salary, and evaluations, their core personnel policies, and their transition to PEBA. He shared the leadership change at Richland County First Steps. Mr. Barnes shared 4K data for the 2023-2024 school year, and 4K data for the upcoming 2024-2025 school year. Ms. Strickland shared highlights from the recent 4K Academy. Mr. Barnes gave an update on grants awarded to local partnerships for FY2024-2025. He announced new team members and shared the current job vacancies.

Mr. Wooten made a motion to adjourn, seconded by Dr. Simmer, and the motion was unanimously approved.

The meeting was adjourned at 2:48 p.m. by Chairman Morley.



Board of Trustees Meeting
September 19, 2024 2:00PM
SC First Steps
636 Rosewood Drive Columbia, SC 29201
Minutes

Trustees Present (17):

Rep. Terry Alexander
Jacque Curtin
Mary Lynne Diggs
Constance Holloway
Dr. Matthew Ferguson
John Hayes
Mike Leach
Jessica Mackey
Sen. Gerald Malloy

Jack McBride
Dave Morley, Chairman
Janie Neeley
Roger Pryor
Mary Anne Scott
Dr. Edward Simmer
Wes Wooten
Sue Williams

Trustees Absent (5)

Dr. Robert Bank
Rep. Shannon Erickson
Sen. Greg Hembree
Robert Kerr
Dr. Amy Williams

Attendees (74)

Mark Barnes
Avian Jones
Albert Wingate
Althea Clyburn
Amanda Brewington
Amy Coleman
Beth Moore
Betty Gardiner
Betty Washington
Beth Kienzlen
Blake Lett
Brandie Maness
Brittany Chisolm
Brittany Daniels-Thompson
Brittany Moore
Candi Lalonde
Carlton Rucker
Chelsea Richard
Cheryl Scales
Christin Mack
Coraretta Smalls
Dana Yow
David O'Kelly
Deldena Graham
Delores Rock
Dori Young

Doris Jamison
Dorothy Priester
Elaine Gentry
Elizabeth Dudek
Emma Matzko
Felicia Battle
Georgia Mjartan
Gina Beebe
Gloria Goodwin
Gwen Simmons
Heather Googe
Jason Bolton
Jenny May
Jo Wallace
Jon Artz
Jordan McLeland
Joy Mazur
Julie Greer
Juneatta Olenja
Karen Martini-Waller
Karen Oliver
Kerry Cordan
Kisha Trottie
LaMyra Sanders-Dukes
Laura Baker
Laura Washington

Lexi Jones
Linda Doherty
Lis Guimaraes
Louise Johnson
Maggie Tucker
Martha Strickland
Pamela Cohen
Pauletta Plowden
Rachal Hatton-Moore
Randall Johnson
Ronita Caesar
Sade Hollis
Salisa Mincey-McTeer
Samantha Ingram
Senekita Farmer
Shayla Pettigrew
Shemika Williams
Sherri Evans
Tabitha Daniels
Teneshia Dickerson
Tracy Ann Vandervliet
Tyshica McConner



Mr. Morley called the meeting to order at 2:14 p.m.

Mr. Morley made an amendment to the agenda to update the referred agency name in a motion to the Agency Head Salary Commission. With that update he requested a motion to adopt the agenda. Mr. McBride provided the motion, seconded by Mr. Wooten, and the motion was unanimously approved.

Mr. Morley asked for a motion to enter executive session for the purpose of a personnel matter: to interview the SC First Steps Executive Director candidate and discussion to hire and establish the salary for the SC First Steps Executive Director candidate. Mr. McBride provided the motion, seconded by Mr. Wooten and the motion was unanimously approved.

Rep. Alexander made a motion to exit executive session seconded by Mr. Wooten and unanimously approved.

Rep. Alexander made a motion to approve the proposed SC First Steps Executive Director candidate and to offer the Executive Director position to the candidate. The motion was seconded by Mr. Wooten and unanimously approved.

Rep. Alexander made a motion to approve a salary recommendation of the agency's midpoint to the Agency Head Salary Commission. The motion was seconded by Mr. Wooten and unanimously approved.

Rep. Alexander made a motion to adjourn, seconded by Ms. Curtin, and the motion was unanimously approved.

The meeting was adjourned at 3:47 p.m. by Chairman Morley.



To: SC First Steps Board of Trustees
From: David Morley, Chairman, Executive Committee
Date: September 20, 2024

RE: Executive Committee Report

The Executive Committee met via Zoom conference call on September 20, 2024. The committee discussed and approved the following motions:

Motion: To Amend the Local Partnership Bylaws as submitted.

The amended Local Partnership Bylaws will be submitted to the Board as a Motion in the Consent Agenda.

Motion: To approve the proposed Charleston County First Steps executive director compensation, as submitted by the local partnership board, and to take this action on behalf of the Board of Trustees of South Carolina First Steps due to the urgency of the matter.

Motion: To approve the proposed Sumter County First Steps executive director compensation, as submitted by the local partnership board, and to take this action on behalf of the Board of Trustees of South Carolina First Steps due to the urgency of the matter.

These two actions were taken on behalf of the full board due to their time sensitivity.

In addition, the Committee approved the following motion that would not go to the Board which was required as part of an agreement with the Interim Executive Director.

Motion to approve the request for a change requested by the Interim Executive Director.

Information: Shared by the Interim Executive Director.

Mr. Barnes shared updates on the Agency Budget Requests for FY 25-26, the separation of SC First Steps from the Department of Education, some staffing changes, and the recent Supreme Court decisions related to private school vouchers.

Additional information can be found in the minutes for the meeting, which are attached.



Executive Committee Meeting Minutes September 20, 2024

Members Present: David Morley, Jesica Mackey, and Wes Wooten

Members Absent: Sen. Gerald Malloy, Dr. Amy Williams

Staff Present: Mark Barnes, Derek Cromwell

Meeting was called to order with a quorum present at 11:00 am.

Group discussed the Local Partnership Bylaws that were submitted. There were two documents, the first was a red lined version of the amended Bylaws, and the second was a summary of the changes. The current draft was modified from the version that was submitted to a recent Executive Committee meeting by removing the changes in the previous draft which were related to the parliamentary procedures. The original language in the current bylaws was restored. After general discussion Wes made the following motion which was seconded by Jesica and then passed.

Motion: To Amend the Local Partnership Bylaws as submitted.

The following Motion was made by Jesica, seconded by Wes, and then passed.

Motion: To enter executive session for the purpose of personnel matters: to discuss local partnership board recommendations regarding Charleston County First Steps executive director compensation and Sumter County First Steps executive director compensation as well as one HR Action Request for a Personnel Matter for SC First Steps which is required by agreement for Interim Executive Director.

With no action taken in executive session, the following motion was made by Jesica Mackey, seconded by Wes Wooten, and approved unanimously:

Motion: To exit executive session.

Wes made the following motion, seconded by Jesica which was then passed.

Motion: To approve the proposed Charleston County First Steps executive director compensation, as submitted by the local partnership board, and to take this action on behalf of the Board of Trustees of South Carolina First Steps due to the urgency of the matter.

Jesica made the following motion, which was seconded by Wes and then passed.

Motion: To approve the proposed Sumter County First Steps executive director compensation, as submitted by the local partnership board, and to take this action on behalf of the Board of Trustees of South Carolina First Steps due to the urgency of the matter.

Wes made the following motion, which was seconded by Jesica and then passed.

Motion: To approve the personnel action request from the Interim Executive Director.

Information: Shared by the Interim Executive Director.

Mr. Barnes gave updates on State Budget Requests which are due on September 27. He also updated the group on progress being made in separating from the Department of Education. He mentioned some staffing changes and the recent Supreme Court decisions related to private school vouchers.

A motion to adjourn was made and seconded, all were in favor, and the meeting concluded at 11:55 am.

BYLAWS

OF

******* COUNTY FIRST STEPS TO SCHOOL
READINESS PARTNERSHIP, A SOUTH CAROLINA
NONPROFIT CORPORATION**

Adopted effective as of September 24, 1999;

Amended effective as of 2001; ~~and~~

Amended effective as of _____, 2015; and

Amended effective

**BYLAWS
OF
***** COUNTY FIRST STEPS TO SCHOOL
READINESS PARTNERSHIP, A SOUTH CAROLINA
NONPROFIT CORPORATION
TABLE OF CONTENTS**

ARTICLE	PAGE
I. NAME	1
II. OFFICE	1
III. GENERAL	1
Section III(a) Organization.....	1
Section III(b) Fiscal Year.....	1
Section III(c) Terminology	2
IV. PURPOSES, POWERS AND POLICIES	2
Section IV(a) General Purposes	2
Section IV(b) Specific Purposes	2
Section IV(c) Powers.....	2
Section IV(d) Operating Policies, Procedures and Guidelines	2
V. MEMBERS AND MEMBERSHIP	3
VI. BOARD OF DIRECTORS	3
Section VI(a) Governing Authority, General Powers, Oversight and Accountability	3
Section VI(b) Composition	3
Section VI(c) Terms, Resignation, Removal and Vacancies.....	4
Section VI(d) Chairman and Vice Chairman of the Board of Directors	5
Section VI(e) Regular Meetings	6
Section VI(f) Special Meetings.....	6
Section VI(g) Notice, Waiver of Notice of Meetings	6
Section VI(h) Quorum, Manner of Acting, Voting.....	7
Section VI(i) Presence at/Participation in Meetings.....	7
Section VI(j) Conflicts of Interest	7
Section VI(k) Fiscal Accountability, Books and Records.....	8
Section VI(l) Compliance with Freedom of Information Act and IRS Disclosure Requirements	9
Section VI(m) Committees.....	9
Section VI(n) Service Without Compensation	9

TABLE OF CONTENTS (cont'd)

ARTICLE	PAGE
VII. OFFICERS	10
Section VII(a) General.....	10
Section VII(b) Duties and Responsibilities.....	11
VIII. INDEMNIFICATION.....	11
IX. REGULATION	11
Section IX(a) General	11
Section IX(b) Oversight and Accountability	12
Section IX(c) Governing Law	12
Section IX(d) Parliamentary Procedure.....	12
X. AMENDMENTS AND CONFLICTS.....	12
Section X(a) Amendments	12
Section X(b) Conflicts.....	12
XI. SEAL	12
XII. DISSOLUTION.....	12
Section XII(a) General.....	12
Section XII(b) Distribution	13

**BYLAWS
OF
***** COUNTY FIRST STEPS TO SCHOOL
READINESS PARTNERSHIP, A SOUTH CAROLINA
NONPROFIT CORPORATION**

**ARTICLE I
NAME**

The name of this corporation is ***** County First Steps to School Readiness Partnership, a South Carolina Nonprofit Corporation (hereinafter referred to as the “Corporation”).

**ARTICLE II
OFFICE**

The principal office of the Corporation shall be initially in the City of Columbia, the County of Richland, and the State of South Carolina (the “State”). The Corporation may have its principal office and other offices at such other locations within the State as the Board of Directors, as defined in Article VI, may designate and as the activities of the Corporation may require from time to time.

**ARTICLE III
GENERAL**

Section III(a). Organization. The Corporation is a nonprofit corporation (i) established and operating in accordance with the provisions of 26 U.S.C. (“Internal Revenue Code”) §§501(c)(3) and 509(a)(1), (2) or (3) and the regulations thereunder, and §§12-20-110 and 59-15260, Code of Laws of South Carolina, 1976 (“South Carolina Code” or “S.C. Code”), as amended; and (ii) incorporated under the South Carolina Nonprofit Corporation Act of 1994, Chapter 31, Title 33, S.C. Code (the “Nonprofit Act”). The Corporation is an independent and autonomous organization.

Section III(b). Fiscal Year. The Corporation shall operate on a fiscal (“accounting” or “program”) year basis, beginning July 1 and ending June 30. The

Corporation's period of duration shall be perpetual unless terminated in accordance with Article XII of these Bylaws.

Section III(c). Terminology. When used in these Bylaws, any male noun or pronoun refers to persons of either sex, and the term "person" means any individual, trust, estate, partnership, association, foundation, company or corporation.

ARTICLE IV PURPOSES, POWERS AND POLICIES

Section IV(a). General Purposes. The Corporation is organized and shall operate for the purposes set forth in S.C. Code §§59-152-10 *et seq.* and §§63-11-1720 *et seq.* (the "Enabling Act"), exclusively for charitable, educational and/or scientific purposes within the meaning of §501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any future United States Internal Revenue Law); no part of the net earnings of the Corporation shall inure to the benefit of any private shareholder or individual; no substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation; and the Corporation shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of a candidate for public office. Notwithstanding any other provisions of these Bylaws, the Corporation shall not carry on any activities not permitted to be carried on (i) by an organization described in 26 U.S.C. §§501(c)(3) and 509(a)(1), (2) or (3), or (ii) by an organization contributions to which are deductible under the provisions of 26 U.S.C. §170(c)(2) or any other corresponding provision of any future United States Internal Revenue Law.

Section IV(b). Specific Purposes. The Corporation is organized as follows: (i) in accordance with the "Enabling Act"; and (ii) as a supporting organization for the benefit of, to perform the functions of, or to carry out the purposes of South Carolina First Steps to School Readiness Board of Trustees, a South Carolina Nonprofit Corporation (the "State Board").

The Corporation may engage in any and all lawful activities within its powers necessary or incident to the foregoing purposes.

Section IV(c). Powers. The Corporation shall have such powers as are now or may hereafter be granted corporations under the Nonprofit Act, except as may be limited by the Enabling Act or the Corporation’s Articles of Incorporation or Bylaws.

Section IV(d). Operating Policies, Procedures and Guidelines. In order to implement the purposes of the Corporation within the guidelines of the Enabling Act, the Board of Directors may adopt, amend, or restate Operating Policies, Procedures and Guidelines as are in compliance with the Freedom of Information Act and are approved by the Office of South Carolina First Steps to School Readiness (the “Office of First Steps”).

ARTICLE V MEMBERS AND MEMBERSHIP

As provided in the Corporation’s Articles of Incorporation pursuant to S.C. Code §33-31603, the Corporation does not have members within the meaning of S.C. Code §33-31-140(23). Any use of “member” or “membership” in these Bylaws should be understood in its immediate context, and not to refer to “members” within such statutory definition.

ARTICLE VI BOARD OF DIRECTORS

Section VI(a). Governing Authority, General Powers, Oversight and Accountability. The Board of Directors of the Corporation is the governing body of the Corporation and is vested with the entire management of the business and affairs of the Corporation. The Board of Directors exercises all such powers of the Corporation and performs all such lawful acts which are now or may hereafter be granted a board of directors under the Nonprofit Act, except as may be limited by the Enabling Act or the Corporation’s Articles of Incorporation or Bylaws. The members of the Board of Directors are referred to in these Bylaws as Directors. The standard of care applicable to the Directors is that provided in the Nonprofit Act. All corporate powers shall be exercised and all affairs of the Corporation shall be managed under the authority and direction of the Board of Directors in accordance

with the Enabling Act, which provides for oversight by and accountability to the State Board and the Office of First Steps.

Section VI(b). Composition. The Board of Directors of the Corporation (the “Board”) shall be composed of members in the manner described in the Enabling Act. Directors appointed in the manner set forth in this Section VI(b) shall in all events comprise a voting majority of the Board. In addition to the Directors appointed in the manner set forth in Section, the Board has the discretion to elect up to four additional Directors (each an “Elected Director”). Such elections shall be conducted in accordance with Section ~~VI(b)(7)~~.

(1) Coverage Area. The Corporation’s coverage area in the case of a single-county partnership, shall be the county represented by the Corporation and in the case of a multi-county partnership, shall be the counties represented by the Corporation.

(2) County Delegation Appointments. The county legislative delegation for the county represented by the Board shall appoint six Directors to the Board. In multicounty partnerships, the legislative delegations shall modify their appointments based on the plan approved by the South Carolina First Steps to School Readiness Board of Trustees pursuant to Section 59-152-70(E).

(3) Recommendation. In addition to the Directors appointed by the county legislative delegation in accordance with Section VI(b)(2), each of the following entities located within the Corporation’s coverage area shall recommend one individual to the legislative delegation for appointment by the delegation to serve as a Director of the Board:

- (a) Department of Social Services;
- (b) Department of Public Health ~~and Environmental Control~~; and
- (c) Head Start or early Head Start.

(4) County Library Recommendation. In addition to the Directors appointed by the county legislative delegation in accordance with Section VI(b)(2) and Section VI(b)(3), the county public library system staff located within the Corporation’s coverage

area shall recommend one employee of the system for appointment by the county council of the Corporation's coverage area to serve as a Director, and the county council either shall make the appointment or reject the appointment and ask the library staff to make another recommendation.

(5) **Public School Board Appointments.** ~~Each~~In addition to the Directors appointed by the county legislative delegation in accordance with Section VI(b)(2) and Section VI(b)(3), and the Directors appointed by the county public library system staff in accordance with Section VI(b)(4), each public school district board located within the Corporation's coverage area shall appoint one of its employees to serve as a Director.

(6) **Delegation to County Council.** The legislative delegation may, by resolution, delegate some or all of its appointments to the county council of the Corporation's coverage area. Any Director appointed to a directorship pursuant to any of paragraphs (2) through (6) of this Section VI(b) may be referred to as an "Appointed Director."

(7) **Election of Directors.** Except as provided in Section VI(c)(4) below relating to vacancies, any Elected Director(s) (not to exceed four Directors) shall be elected by the Board of Directors at a meeting of the Board of Directors. Of the those individuals nominated for an Elected Director position, the individual who receives a plurality of the votes cast shall be deemed to have been elected. If any Director then holding office so demands, the election the Elected Director(s) shall be by secret ballot.

Section VI(c). Terms, Resignation, Removal and Vacancies.

(1) **Terms.** Except in case of earlier resignation, removal, death or other inability to serve, the term of service of each Director shall expire four (4) years from such Director's date of election or appointment. Except for ~~appointed~~Appointed Directors, a Director may not serve more than eight (8) consecutive years. A Director elected or appointed to fill a vacancy in a Directorship caused by resignation, removal, death or other

inability to serve, shall serve out the unexpired term to which he is elected or appointed. Elected Directors may not serve in a holdover capacity after their term ends.

(2) **Resignation.** Any Director may resign at any time by delivering written notice to the Chairman or the Secretary of the Board of Directors. A resignation is effective at the earlier of when notice is received, five (5) days after deposit in the U.S. Mail correctly addressed and with first class postage attached, or otherwise as provided in the Nonprofit Act.

(3) **Removal.** Directors who miss more than three (3) consecutive meetings without excuse is considered terminated from membership on the Board and a vacancy on the Board is created. Appointed Directors may be removed with or without cause by the appointing delegation, council or agency. The delegation, council or agency removing an ~~appointed~~Appointed Director will do so by giving written notice of the removal to the removed Director and to the Chairman of the Board and either the Executive Director or Secretary. If for any reason the delegation, council or agency ceases to exist, the appointment of the Director(s) appointed by such delegation, council or agency shall terminate.

If the Board removes a Director, it will do so by giving written notice of the removal to the removed Director and if the Director is appointed, to the delegation, council or agency appointing such Director. The minutes of the meeting addressing such removal shall reflect the reason or reasons for such removal. Notice of removal is effective at the earlier of when notice is received, five (5) days after deposit in the U.S. Mail correctly addressed and with first class postage attached, or otherwise as provided in the Nonprofit Act.

(4) **Vacancies.** When any vacancy on the Board occurs, the vacancy timely must be filled with a person from the same category and in the same manner of election or appointment as the vacated Director, for the unexpired portion of the term of the vacant Directorship. No person may be appointed to fill any vacancy in a Directorship, however

occurring, unless such person is qualified to hold such Directorship as described in this Section above.

Section VI(d). Chairman and Vice Chairman of the Board of Directors. The Chairman of the Board of Directors shall be elected from among the members of the Board of Directors by a majority of the members of the Board of Directors. The Chairman shall preside at all meetings of the Board of Directors, shall call special meetings of the Board of Directors as provided in Section VI(f) of these Bylaws, and shall have those powers and duties assigned in these Bylaws as well as those incident to the office. The Vice Chairman of the Board of Directors shall be elected from among the members of the Board of Directors by a majority of the members of the Board of Directors. The Vice Chairman shall perform the duties of the Chairman in the Chairman's absence. The Chairman shall serve a one (1) year term; *provided, however,* the Chairman may be elected to subsequent terms not to exceed a total of four (4) consecutive years. The Vice Chairman shall serve a one (1) year term; *provided, however,* the Vice Chairman may be elected to subsequent terms not to exceed a total of four (4) consecutive years.

Section VI(e). Regular Meetings. Regular Meetings of the Board of Directors shall be held periodically, at least once every fiscal quarter, at such date and at a time and place as the Chairman of the Board of Directors determines. A periodic meeting schedule shall be determined by the Chairman and distributed to the members of the Board of Directors.

One (1) Regular Meeting each year shall be designated by the Board as the Annual Meeting. Notice of the Annual Meeting shall be given as provided in Section VI(g) and shall also be given to the public which shall be invited to attend. At the Annual Meeting the Board shall report to the public of the County on the Corporation's progress during the past year and its plans for the coming year, in addition to attending to such other business as is prescribed in these Bylaws and as shall otherwise come before the Board.

Section VI(f). Special Meetings. Special meetings of the Board of Directors shall be held on the call of the Chairman or on the call in writing of any ten (10) Directors. The Chairman shall determine the date, time and place of special meetings.

Section VI(g). Notice, Waiver of Notice of Meetings. The Secretary shall give written notice of each meeting of the Board of Directors stating the date, time and place of the meeting, and, in the case of a special meeting, the purpose(s) for which the meeting is called.

Notice of meetings shall be given in writing to all Directors not less than two (2) nor more than ten (10) business days prior to each meeting. Notice of meetings is effective at the earlier of when received, five (5) days after being placed in the U.S. mail correctly addressed with first class postage attached, or otherwise as provided in the Nonprofit Act.

Directors may waive notice before or after a meeting by a signed writing filed with the minutes of the Corporation.

Attendance at a meeting constitutes waiver of notice unless the Director attends the meeting to object to lack of notice either of the meeting or of business to be addressed, presents his objection immediately upon arriving at the meeting, and does not thereafter vote for or assent to the complained-of action.

Section VI(h). Quorum, Manner of Acting, Voting. The Board of Directors may conduct any business at regular meetings. At special meetings, it may conduct only that business described in the notice of meeting.

At any meeting of the Board of Directors, a majority of the number of Directors in office immediately before the meeting constitutes a quorum. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board.

Each Director has one (1) vote. Voting by proxy is not permitted.

A Director who is present at a meeting of the Board or a Committee of the Board when corporate action is taken is deemed to have assented to the action taken unless: (a) he objects, at the beginning of the meeting or promptly upon his arrival, to holding the meeting or transacting specified affairs at the meeting; or (b) he votes against or abstains from the action taken.

Section VI(i). Presence at/Participation in Meetings. Directors may attend any Board or Committee meeting through the use of conference telephone or other means of communication by which all Directors participating in the meeting may hear each other simultaneously during the meeting, and participation by such means shall constitute presence in person at that meeting.

Section VI(j). Conflicts of Interest. Directors must strive to achieve the greatest objectivity and impartiality possible in the execution of their duties. A director has a conflict of interest when such Director, directly or indirectly, is financially interested in planning, applying for or executing direct service provision, engaging personnel, grant applications, or any other activity involving planning for expenditure of funds or expending funds. Even the appearance of a conflict of interest is to be avoided. As a general rule, any time a Director is not, or does not appear to be, for any reason, impartial, the Director has a conflict of interest.

Directors with conflicts of interest as to a matter shall recuse themselves from any discussions or decisions by the Board or any committee thereof regarding the provision of funds or awards to any program or entity funded under the same funding category, any discussions or decisions by the Board regarding the provision of funds or awards to that specific program, the continuation of funds or award to any such program or entity funded under the same funding category, participating in the oversight, evaluation, continuation, suspension, or termination of any grant under the same funding category, or voting on any of the foregoing.

Any abstention from voting must be noted in the minutes of the meeting.

Any vote by the Board of Directors in violation of this Section shall be voidable at the discretion of the disinterested Board of Directors, regardless of fairness to the Corporation.

Any Director failing to disclose a conflict of interest to the Board of Directors shall be removed from the Board forthwith.

The provisions of Nonprofit Corporation Act §33-31-831 shall apply except as to matters directly addressed in this Section. This Section is purposefully more stringent than §33-31-831, as permitted by such statute.

Section VI(k). Fiscal Accountability, Books and Records. The Corporation shall implement such fiscal policies and procedures and maintain such books and records as required by the Office of First Steps and as needed to ensure fiscal accountability of all funds appropriated to the Corporation. The Corporation shall adopt and implement a standard fiscal accountability system as developed and required by the Office of First Steps in accordance with S.C. Code §59-152-150. The Corporation's books and records shall be maintained in accordance with this Section, Section VI(l) and Section IX(b) of the Bylaws.

(1) **Financial Reports.** The Corporation shall maintain at its principal office its financial reports as of the end of the most recent fiscal year, including at a minimum a balance sheet and a statement of operations of such year, accompanied by the report of the appropriate reviewing body.

(2) **Corporate Records.** The Corporation shall maintain at its principal office the following written corporate records: Articles of Incorporation and all amendments from time to time in effect; Bylaws and all amendments from time to time in effect; minutes of all Board of Directors' meetings, Committee meetings and action taken without meeting for the past three (3) years; a current list of Directors and Officers and their addresses of record; the approved federal income tax exemption application (IRS Form 1023); the three (3) most recent annual information returns (IRS Form 990), and such additional tax information as may be required under §6104 of the Internal Revenue Code.

The Corporation shall maintain in writing or in a format convertible into writing the minutes of all Board and Committee meetings and action taken without meeting.

(3) **Inspection Rights of Directors.** Each Director shall have the right to inspect and copy (at the Director's expense) during regular business hours the financial reports and corporate records described in subparagraphs (1) and (2) of this Section.

Section VI(l). Compliance with Freedom of Information Act and IRS Disclosure Requirements. Business meetings of the Board of Directors and Committees of the Board shall be conducted in accordance with the South Carolina Freedom of Information Act, S.C. Code §§30-4-10 *et seq.* (the "FOIA"), as in effect from time to time, a copy of the current version of which is attached to these Bylaws. Records of the Corporation shall be maintained and provided in accordance with the FOIA and the Internal Revenue Code. The Operating Policies, Procedures and Guidelines of the Corporation shall contain such provisions, including language addressing conduct of meetings and disclosure of records, as to ensure the Corporation's compliance with the FOIA and IRS disclosure regulations.

Section VI(m). Committees.

~~The~~By the approval of a majority of all the directors in office when the action is taken, the Board of Directors ~~shall~~may from time to time (a) create one (1) or more Committees of the Board ~~as is if so~~ required by the State Board ~~or as otherwise~~from time to time or if the State Board has not so required, as determined by the Board (the "Committees"); and ~~hereby delegates to the Chairman the authority to select~~(b) appoint and remove Committee members and ~~to~~ determine their terms of service in accordance with the provisions of S.C. Code §33-31-825. Committees may be of any size and composition, *provided, however,* each Committee shall include at least two (2) Directors.

~~The~~By the approval of a majority of all the directors in office when the action is taken, the Board of Directors ~~may~~shall specify each Committee's authority (unless determined otherwise by the State Board); *provided, however,* Committees may not be

authorized to authorize distributions; approve or recommend ~~extraordinary corporate acts,~~ appoint or remove Directors or members of the dissolution, merger, or the sale, pledge, or transfer of all or substantially all of the Corporation's assets; select, appoint, or remove directors or fill vacancies on the Board or on any of its Committees; adopt, amend, or repeal the ~~Corporation's Articles of Incorporation or~~ articles of incorporation or these Bylaws; or otherwise act in contravention of either the Nonprofit Act or the FOIA.

Section VI(n). Service Without Compensation. ~~The Directors~~ Each Director shall serve as a Director without compensation. Nothing in this Section shall prohibit the payment of reasonable compensation to an ~~officer or~~ employee of the Corporation, in his capacity as ~~officer and/or an~~ employee, even though such individual may also be serving as a Director, provided such compensation is determined in the manner provided in Section VII(a)(4) of these Bylaws.

ARTICLE VII OFFICERS

Section VII(a). General.

(1) **Authority.** The officers of the Corporation shall be vested with authority to administer and implement duties, responsibilities and directives in conformity with their respective offices.

(2) **Composition.** The officers shall be a Secretary and such other officers as the Board of Directors may designate from time to time.

(3) **Election, Terms, Removal, Resignation and Vacancy.**

(A) **Election, Terms, Removal.** The Secretary and all other officers shall be elected by majority vote of and serve at the pleasure of the Board of Directors. The election and term of the Chairman and Vice-Chairman shall not be subject to this Section and shall be governed by Section VI(d). An officer may be removed with or without cause by majority vote of the Board of Directors.

(B) **Resignation.** An officer may resign at any time by giving written notice to the Board of Directors.

(C) **Vacancy.** Any vacancy in an office shall be filled temporarily by the Chairman of the Board of Directors and permanently at the next regular or special meeting of the Board of Directors.

(4) **Compensation.** ~~Officers and/or employees~~Employees may be paid reasonable compensation commensurate with their duties, responsibilities and work. Compensation of the Corporation's Executive Director shall be determined by the Board of Directors or duly authorized Committee thereof as follows: (i) The Board of Directors or Committee determining compensation shall be composed of persons who are unrelated to and not subject to the control of the person whose compensation is being determined; (ii) The Board of Directors or Committee determining compensation shall contemporaneously obtain and rely upon appropriate data as to the comparability of the compensation package; and (iii) There shall be adequate contemporary documentation for the basis of the Board's or Committee's determination.

With respect to the Corporation's Executive Director, the Corporation must follow the adopted policies and procedures as defined by the State Board. The Corporation, per the policies and procedures, shall submit for approval by the State Board any request to hire an Executive Director; submit for approval by the State Board justification of and recommendations for the salary and any salary increases for the Corporation's Executive Director; and implement and document an annual performance evaluation for the Corporation's Executive Director. The completed performance evaluation document shall be submitted annually to the State Board.

The Corporation may reimburse ~~officers~~Directors and/or employees for such expenses incurred incidental to the conduct of the business and affairs of the Corporation as may be reasonable and authorized by the Board of Directors.

Section VII(b). Duties and Responsibilities.

The Secretary shall be responsible for: (i) maintaining the records of the Corporation, recording and maintaining in a book provided for that purpose the minutes of all meetings of the Board of Directors and any Committees, (ii) coordinating and assuming primary responsibility for the proper procedure in connection with the selection, designation and appointment of Directors and the election of officers of the Corporation; (iii) authenticating documents of the corporation; and (iv) seeing that all notices of the Corporation are duly given in accordance with the provisions of these Bylaws and as required by law. The Secretary shall be responsible for keeping an accurate list of the Directors and officers of the Corporation, their addresses of record, and the dates of their respective terms and the expiration thereof. The Secretary shall be responsible for keeping the seal of the Corporation and shall perform such other duties as he may be assigned from time to time by the Board of Directors.

ARTICLE VIII INDEMNIFICATION

The Corporation shall indemnify its serving and former Directors and Officers to the maximum extent permitted by law in effect from time to time.

ARTICLE IX REGULATION

Section IX(a). General. The regulation of the business and conduct of the affairs of the Corporation shall conform to federal and state income tax laws and any other applicable federal and state law, including, but not limited to, the Enabling Act and the Nonprofit Act. In the interpretation of these Bylaws, wherever reference is made to the United States Code (U.S.C.), the United States Internal Revenue Code or Internal Revenue Laws, the Enabling Act, the Nonprofit Act, the South Carolina Code or any other statute, or to any section thereof, such reference shall be construed to mean such Code, Act, Laws, Statutes, or section thereof, and the regulations thereunder, as the case may be, as heretofore or hereafter amended or supplemented or as superseded by laws or regulations covering equivalent subject matter.

Section IX(b). Oversight and Accountability. Oversight by and accountability to the State Board and the Office of First Steps will be maintained in accordance with the Enabling Act as in effect from time to time, a copy of the current version of which is attached.

Section IX(c). Governing Law. These Bylaws are executed and delivered in the State of South Carolina and they shall be governed by, construed and administered in accordance with the laws of the State of South Carolina.

Section IX(d). Parliamentary Procedure. The provisions of the latest edition of *Robert's Rules of Order* shall serve as the basic guide to fair and orderly procedure in meetings of the Corporation. In the event that any of the provisions of *Robert's Rules of Order* conflict with the Bylaws, the provisions of the Bylaws prevail.

ARTICLE X AMENDMENTS AND CONFLICTS

Section X(a). Amendments. These Bylaws may be amended or restated from time to time in accordance with the provisions of S.C. Code §33-31-1020; *provided, however*, any such amendments or restatements must be approved by the State Board prior to adoption by the Board of Directors of the Corporation.

Section X(b). Conflicts. In the event that any of the provisions of these Bylaws, as amended, conflict with any of the provisions of prior Bylaws, the provisions of the amended Bylaws control.

ARTICLE XI SEAL

The Board of Directors may adopt a seal for the Corporation.

ARTICLE XII DISSOLUTION

Section XII(a). General. The Corporation may be dissolved and its business and affairs terminated, and such dissolution shall be in accordance with the provisions of

Chapter 31, Title 33, S.C. Code and §1.501(c)(3)-1(b)(4) of the United States Treasury Regulations.

Section XII(b). Distribution. Upon dissolution of the Corporation and after all its debts and expenses have been paid, all of its assets shall be conveyed or distributed in conformity with the Bylaws and the Articles of Incorporation of the Corporation. All monies held by the Corporation which have been appropriated by the General Assembly for the South Carolina First Steps to School Readiness initiative, including any interest thereon, as provided by applicable law, shall be conveyed or distributed to the State of South Carolina. All remaining assets of the Corporation shall be conveyed or distributed to the State of South Carolina, to the State Board as long as the State Board at the time of conveyance or distribution qualifies as an organization described in §§501(c)(3) and 170(c)(2) of the Internal Revenue Code or any corresponding provision of any future Federal tax code or as otherwise required by applicable law to be distributed to the applicable grantor.

(The remainder of this page intentionally left blank)

* * *

We certify that (i) _____ is the duly elected, qualified and acting
Chairman of _____ County First Steps To School Readiness Partnership, a South
Carolina Nonprofit Corporation (the "Corporation"); (ii) _____ is the
duly elected, qualified and acting Secretary of the Corporation; and (iii) the foregoing
Bylaws of _____ County First Steps To School Readiness Partnership, a South
Carolina Nonprofit Corporation, were duly adopted by the Board of Directors of the
Corporation on _____, 202_.

_____, Chairman

_____, Secretary

Summary report:	
Litera Compare for Word 11.4.0.111 Document comparison done on 5/28/2024 4:30:42 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://hsblawfirm.cloudimanager.com/HSBDOCS/9126671/2	
Modified DMS: iw://hsblawfirm.cloudimanager.com/HSBDOCS/9126671/3	
Changes:	
<u>Add</u>	45
Delete	30
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	75

Amendments Included:

- Section VI(b) –(c): Board Composition

These amendments to the board composition section are required to be in compliance with the statutory changes found within Act 81 and directly reflect the updated law.

- Section VI(m): Committees

We were advised by our attorney that the best practice for Committee creation and appointments was for it to be done with the approval of the majority rather than done by the Board Chairman alone. These amendments reflect that advice.

- Section VI(n): Service without Compensation

We received questions regarding the compensation of officers, in particular the Board secretary position, and asked our attorney to clarify within this section that directors serve without compensation and that reasonable compensation is only allowable for an employee who is assisting the Board.

- Section VII(a)(4): Officers – Compensation

This amendment is required to ensure compliance with the new provisions within Act 81 regarding the executive director hiring, compensation, and evaluation policies.

- Section IX(d): Parliamentary Procedure
Amendment Removed. Keep as original language.

These bylaws have been in existence for over 10 years and there have been no documented concerns from local partnerships surrounding the use of Robert's Rules of Order as their basic guide to parliamentary procedure. The amendment first drafted for this provision was not requested by First Steps but instead suggested by our attorney. At the Executive Committee meeting in June 2024, there was robust discussion around this amendment, including the need to find a balance between the chair's authority to determine procedure and following the basic principles of Robert's Rules of Order. Given the time sensitive nature of ensuring local partnerships have bylaws that comply with the statutory requirements of Act 81 and the fact that there have never been any concerns with the original language of this provision, we believed it best to remove this amendment entirely and keep the language as it was originally written. Relying on Robert's Rules as a basic guide does not require strict compliance with every provision of the Rules. To strengthen understanding moving forward, First Steps staff will create a guidance document to explain the basic principles of Robert's Rules of Order and provide trainings on the topic to the local partnership board members. This guidance document will be distributed to local partnership executive directors and board chairs along with the official, updated Bylaws.



To: SC First Steps Board of Trustees

From: Jessica Mackey, Chairman, Finance and Administration Committee

Date: October 9, 2024

RE: Finance and Administration Report

The Finance and Administration Committee met via Zoom conference call on October 9, 2024, to take up action items and receive updates from staff. Detailed meeting minutes are attached. The committee brings forward the following action item and updates.

ACTION: Receipt of the 2023-24 Financial Audit

Presentation by Emily Sobczak, CPA, Partner, Greene Finney Crowley, LLP. Ms. Sobczak presented the Financial Statements and Audit for SC First Steps for the 2023-24 state fiscal year. She mentioned the auditor issued an unmodified opinion, which is the best an agency can receive. In addition, she mentioned that the agency has also received no findings or discuss with management concerns. The agency has had perfect audits for the last eight years, which is excellent. Additional information is in the audit, which is being given to each member of the Board. Ms. Sobczak will present this item to the Board for their consideration.

The Committee voted unanimously to receive the Audit and send it to the Board of Trustees. The Committee makes the following Motion to include in the Consent Agenda:

Motion: To receive the 2023-24 Fiscal Year Financial Audit as presented by Greene Finney Crowley, LLP.

First Steps State Office

Financial Report

Mr. Barnes shared the updated financial status of the agency. The total budget for this year is approximately \$75 million. Expenditures to date are a little higher than they should be due to the way we distribute funds to the Local Partnerships and the 4K providers. Otherwise, they are in line with projections for the new year. The organization is in good financial condition.

Separation from the State Department of Education

The separation of SC First Steps from the Department of Education is continuing and will be complete by the end of November. Overall, it is going very smoothly.

Mr. Barnes discussed the State Budget Request for 2025-26 and some of the effects of Helene on our Local Partnerships and 4K Providers. Without all the information, we know that at least three of our 4K teachers lost their homes.

Other updates can be found in the meeting minutes.



Minutes from Finance and Administration Committee Meeting

October 9, 2024

Members present: Jesica Mackey, Chairman, Jacque Curtin, CPA

Members not present: David Morley

Nonmembers present: Mark Barnes, Interim Executive Director; David O’Kelly, Chief Financial Officer, Lakecia Clemons, Interim Local Partnership Senior Fiscal Manager, Ann Vandervliet, Incoming Executive Director, Emily Sobczak, CPA, Partner, Greene Finney Cauley, LLP

With all public notices being provided, and a quorum being present, the Zoom meeting was called to order by Jesica Mackey at 11:01 am.

First Steps incoming Executive Director, Ann Vandervliet was welcomed and introduced herself. Emily Sobczak introduced herself as well.

2023-24 Fiscal Year First Steps Financial Audit

Required Action Item: Receipt of the 2023-24 Fiscal Year Financial Audit

Presentation by Emily Sobczak, CPA, Partner, Greene Finney Cauley, LLP. Ms. Sobczak presented the Financial Statements and Audit for SC First Steps for the 2023-24 state fiscal year.

Emily presented a PowerPoint review of the agency’s financial results and audit report for the fiscal year ended June 30, 2024. Emily noted the agency’s continued strong financial condition and stated that once again there were no audit findings to report. She also noted there were no management letter comments regarding significant weaknesses found.

She mentioned that the total fund balance decreased to \$25.5 Million in FY 2024. This reduction was due to spending down some of the funds for the 4K Program. Most of the fund balances are restricted for specific programs. She mentioned there are several reasons that it is important to maintain an adequate fund balance and said that First Steps has a strong fund balance. Total revenues increased to a total of \$ 66.2 Million in FY 2024 which is up and has shown significant increases over the last five years. During 2024, the total expenditures increased to \$69.0 Million. This was an increase in \$11.6 million from the prior year.

There was general discussion about the OPEB liabilities and what they mean. One point made was that this does not have an impact on the cash balances but is a requirement for governmental entities.

She mentioned the auditor issued an unmodified opinion, which is the best an agency can receive. In addition, she mentioned that the agency has also received no findings or discuss with management concerns. The agency has had perfect audits for the last eight years.

Mark mentioned one modification in the financial statements. Normally we pull out the fundraising expenses and list them on a single line in the statements. This year they were included in the other lines and were not broken out. We have gone back and modified the statements to pull those costs out of the other lines to represent them separately. He also mentioned the reason we had a significant increase in materials cost was due to the 4K program increasing expenses with spending funds from one of the grants. These language and literacy materials will have a big impact on the 4K classrooms and students.

Jackie Curtain made a motion to receive the audit as presented by Greene Finney Crowley, which was seconded by Jessica and then passed.

There was general discussion by the Committee and then the decision to request that Emily present at the Board Meeting on the 17th of October. Mark will add it to the agenda.

First Steps State Office Updates

Financial Report

Mr. Barnes referred to attached monthly financial report for September 30, 2024. He mentioned the budget for FY 2024-25 was approximately \$75 million and that we were at 27% expended for the year. This is slightly higher than the 25% projected but that was due to the way we distribute funds to the Local Partnerships and 4K centers. That should fall back into line as the year progresses. He also mentioned the attached donations report.

Separation from the State Department of Education

The separation of SC First Steps from the Department of Education is continuing and will be complete by the end of November. He mentioned that there were a few surprises, one being the amount of time necessary to complete recruitment and hiring activities which has increased. Most of the transition has been smooth. Many of the services and support has already moved to the Department of Administration and all will be moved by the end of November.

State Budget Request

Mark reviewed the state budget request for FY 25-26. We presented the budget request to the Governor's Office on Tuesday, October 8th. We are also requesting a minor change to the 4K proviso for next year. There was general discussion about how we would share the request with the legislators on our Board and those who are involved in the state budget process.

Local Partnerships and the 4K Program

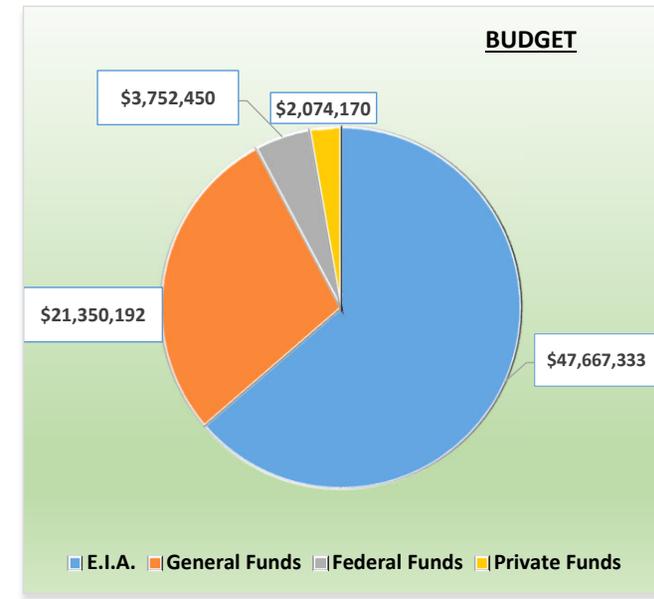
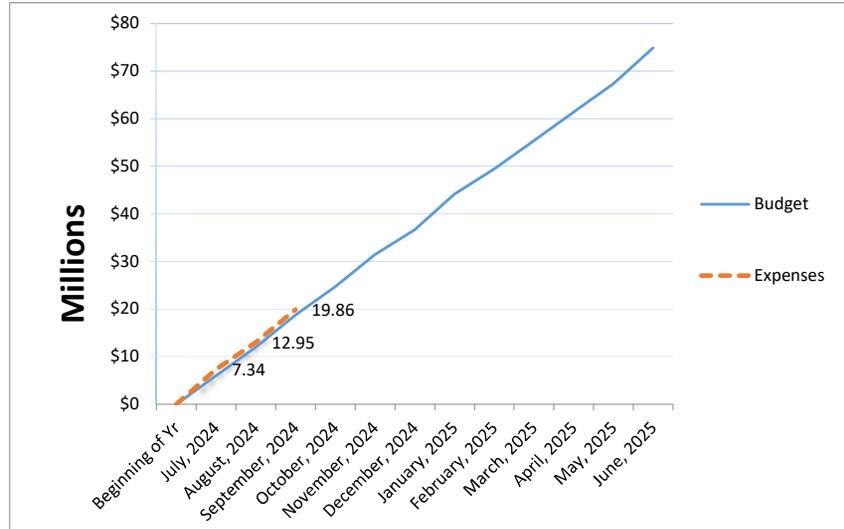
Mark shared an update on the effects of Helene on the Local Partnerships and the 4K centers and staff. He will provide more information as it is collected. One impact that we know about is that at least three of the 4K teachers lost their homes.

With no further business to discuss for the Committee, the meeting was adjourned at 11:57 am.

As of
September 30, 2024

Spending Rates

Projected	25%
Actual	27%



PROGRAMS / OPERATIONS Description	STATE APPROPRIATIONS			FEDERAL GRANTS			PRIVATE FUNDS			GRAND TOTAL		
	Budget	Expended	Balance	Budget	Expended	Balance	Budget	Expended	Balance	Budget	Expended	Balance
LOCAL PARTNERSHIPS	24,952,098	4,453,471	20,498,627	1,235,620	227,687	\$ 1,007,933	1,389,862	23,056	1,366,806	27,577,580	4,704,214	\$ 22,873,366
PRIVATE 4-K	39,993,616	13,526,075	26,467,541	1,675,000	593,677	1,081,323			-	41,668,616	14,119,752	\$ 27,548,864
EARLY CHILDHOOD ADVISORY COUNCIL	1,010,109	84,972	925,137	768,906	285,583	483,323	461,995	75,699	386,296	2,241,010	446,254	\$ 1,794,756
ADMINISTRATION	3,061,702	531,120	2,530,582	72,925		72,925	222,313	56,214	166,099	3,356,940	587,334	\$ 2,769,606
GRAND TOTAL:	69,017,525	18,595,638	50,421,887	3,752,451	1,106,947	2,645,504	2,074,170	154,969	1,919,201	74,844,146	19,857,554	\$ 54,986,592

Notes:

1) Local Partnerships:

- Funding Sources: Education Improvement Act (EIA) Funds and General Funds
- Formula allocation cash advances are disbursed on a quarterly basis
- Expenditures reflect disbursements from SC First Steps (state-level)
- Includes local-level actual expenses to staff and vendors
- Contracted Accounting Firm, Accounting Software Network Support & Programmatic Data Housing
- OFS program & finance staff (payroll, rent, contractual, supplies, travel, etc.)

Federal Funds:	47,667,333	E.I.A.
VISTA	62,560	21,350,192
AmeriCorps:	506,152	3,752,451
SLDS:	43,629	2,074,170
PDG:	1,157,176	74,844,146
ESSER Funds	1,982,934	
	3,752,451	

Local Partnerships (Cont'd):

- External programmatic evaluation
 - Financial audits-annually each LP
 - Workers' compensation insurance coverage
 - Includes LP Countdown to Kindergarten program
- 2) Private budgets based on Private Grants, Projected Fund Raising, & prior year cash.**
- 3) State Appropriations Include EIA Funds, READY, General Funds along carry forward cash.**

Donations

FY 2025

As of September 30, 2024



DATE RECEIVED	Amount	DONOR/PAYOR	FUNDS	PURPOSE / COMMENTS
Jul 1, 2024	25	Lyle Jacks	Unrestricted	Pickens County FS
Jul 1, 2024	25	Liz Rampy	Unrestricted	General Donation
Jul 3, 2024	10,000	Children's Trust of South Carolina	Restricted	2024 Summit Sponsorship
Jul 24, 2024	6,500	Giving Foundation (Sylvanmo)	Restricted	2025 Night to Celebrate
Jul 24, 2024	1,000	Department of Social Services	Restricted	2024 Summit Sponsorship
Jul 24, 2024	25	Joe Nation	Restricted	Lexington County FS
Aug 5, 2024	500	Kimberly Clark	Unrestricted	General Donation
Aug 7, 2024	350	Rick Nobels	Unrestricted	General Donation
Aug 15, 2024	5,000	Department of Public Health	Restricted	2024 Summit Sponsorship
Sep 3, 2024	100	Randa Jacobs	Unrestricted	Greenville County FS
Sep 10, 2024	15,000	Institute for Child Success	Restricted	2024 Summit Sponsorship
Sep 16, 2024	15,500	Enterprise Mobility Foundation	Unrestricted	General Donation
Sep 19, 2024	25	Joe Nation	Unrestricted	Lexington County FS
Sep 23, 2024	25	Joe Nation	Unrestricted	Lexington County FS
Sep 23, 2024	25	Betty Gardiner	Unrestricted	General Donation
Total	54,100			



To: SC First Steps Board of Trustees

From: Senator Gerald Malloy

Date: October 17, 2024

RE: **Legislative Committee Report**

FY 2025-26 State Budget Request

First Steps' FY 2025-2026 state budget request was submitted on September 25, 2024. It includes the following requests:

- Unfunded Personnel Cost Increases (EIA) \$192,108 recurring
- Recruitment and Retention Costs \$264,401 recurring
- First Steps Local Partnerships \$3,531,500 recurring
- Early Childhood Advisory Council (ECAC) \$87,189 recurring
- Full Day 4K (CERDEP) \$5,783,835 recurring
(\$3,246,696 without 300% of poverty)
4 FTEs
- Budget Authorization Request \$13,711,740

Proviso Revision: 4K Updates

Proviso Deletion: SDE-First Steps Division



Strategic Planning and Evaluation Committee

CHAIRWOMAN'S REPORT

The meeting was held on Wednesday, September 25, 2024 via Zoom. The meeting was called to order at 11:02AM. Committee Members present were: Dr. Amy Williams, Dave Morley, Janie Neeley. Department of Social Services' Director Michael Leach, Board Member, was also present. Dr. Chelsea Richard was the staff person present. An external guest, Lauren Sogor from Advocacy and Communication Solutions, was also present.

This month's Strategic Planning and Evaluation Committee meeting was utilized as the first input session with board members for First Steps' next five-year strategic plan. This plan will go into effect on July 1, 2025 and run through June 30, 2030. First Steps has commissioned Advocacy and Communication Solutions (ACS), an external strategic planning facilitator, to support the board and staff in this process. Not only does ACS have strategic planning and facilitation expertise, but also, they have early childhood expertise.

Lauren Sogor facilitated board members through an input session starting with an analysis of First Steps' strengths, weaknesses, opportunities, and threats (SWOT) and then a reflection on and prioritizing objectives from First Steps' current strategic plan, *Every Child Ready*. The conversation wrapped with ACS sharing a recommendation of not revisiting the mission, vision, and values of the organization as part of this strategic planning process. The group agreed with this recommendation.

In October, ACS will be on-site to conduct input sessions with state office staff and the Board of Trustees. There are also plans for public comment near the end of the writing process. By the April 2025 Board meeting, the full plan will be presented for consideration. Throughout the planning process, ACS staff will meet regularly with First Steps' Chief of Staff and new Executive Director, as well as other stakeholders, when appropriate.

The meeting adjourned at 12:28PM.



Strategic Planning and Evaluation Committee Meeting Wednesday, September 25, 2024 via Zoom

Committee members present: Dr. Amy Williams, Dave Morley, Janie Neeley

Other board members present: Michael Leach

First Steps staff present: Dr. Chelsea Richard

External guests present: Lauren Sogor, Advocacy and Communication Solutions

MINUTES

The meeting was called to order at 11:02AM. This month's Strategic Planning and Evaluation Committee meeting was utilized as the first input session with board members for First Steps' next five-year strategic plan. This plan will go into effect on July 1, 2025 and run through June 30, 2030. First Steps has commissioned an external strategic planning facilitator, Advocacy and Communication Solutions (ACS), to support the board and staff in this process. Not only does ACS have strategic planning and facilitation expertise, but also, they have early childhood expertise.

ACS staff member, Lauren Sogor, facilitated the input session starting with an analysis of First Steps' strengths, weaknesses, opportunities, and threats (SWOT). Then, Lauren transitioned the group to reflecting on and prioritizing objectives from First Steps' current strategic plan, *Every Child Ready*. The conversation wrapped with ACS sharing a recommendation of not revisiting the mission, vision, and values of the organization as part of this strategic planning process. The group agreed with this recommendation.

The meeting wrapped with an explanation of the strategic planning process. Prior to this meeting, input sessions were facilitated by Chelsea Richard, First Steps Chief of Staff, with 4K leaders and local partnership executive directors; ACS supported Chelsea in preparation for these sessions. In October, ACS will be on-site to conduct input sessions with state office staff and the Board of Trustees. There are also plans for public comment near the end of the writing process.

Throughout the plan development process, the Strategic Planning and Evaluation Committee will be regularly updated on the progress during their standing committee meetings. By the April 2025 Board meeting, the full plan will be presented for consideration. Throughout the planning process, ACS staff will meet regularly with First Steps' Chief of Staff and new Executive Director, as well as other stakeholders, when appropriate.

The meeting adjourned at 12:28PM.



To: SC First Steps Board of Trustees
From: Mark Barnes, Interim Executive Director
Date: October 17, 2024
RE: **Executive Director's Report**

I. Separation from SC Department of Education – Status Update

- SC First Steps is making good progress in the separation from the Department of Education. We continue to participate in biweekly meetings with the Department of Administration, SCEIS, the Executive Budget Office, and the Department of Education for project management of the separation from the Department of Education.
- Most of our processes have already moved and all will be completed by the end of November. All payroll and HR activities were moved by October 1 of this year as well as procurement, budgets, and most fund balances. Over the next month and a half we will be moving all funds to our new accounts and consolidating all financial reporting under the separated organization.

II. Act 81 Implementation Progress

Many of the required changes have been developed and implemented. With the approval and implementation of the revised Local Partnership Bylaws, we will only have to complete the remaining HR Policies, which are being developed and new procurement policies and procedures.

Training sessions are continuing, and the new Learning Management System for the Local Partnerships and their Boards is being developed for implementation. Additional training will be done over the next several months with specific sessions for the new HR and procurement policies as they are completed.

III. First Steps 4K

2024-2025 School Year – Day 35 (Comparison between Day 35 of the 2024-2025 school year (October 8, 2024) and Day 35 of the 2023*2024 school year (October 10, 2023))

Student Enrollment

- 3,955 students served for at least one day through Day 35 (**6.5% increase compared to 2023-2024 school year n = 3,712**)
- 3,849 students enrolled on Day 35 (**7.6% increase compared to 2023-2024 school year n = 3,577**)

Student Applications

- 6,377 student applications received (**15.0% increase compared to 2023-2024 school year n = 5,547**)



- 6,366 student applications processed (**15.3% increase compared to 2023-2024 school year n = 5,523**)
 - 4,328 students approved to enroll and have attended or will attend once center is selected (**68% of processed applications are approved to enroll and have attended or will attend once a center is selected**)
 - 300 applications are not yet approved
 - 1,738 students dropped, were ineligible, or were approved but never attended

Providers

- 301 total providers approved to date with 371 classrooms (**8% increase in number of providers compared to the number of providers at the end of the 2023-2024 school year (n=279)**)

As of September 3, 2024, an error was found in the print version of the August 2024 Executive Director's Report. The corrections are as follows:

4,119 students were served through Day 180 of the 2023-2024 school year (13% increase compared to the 2022-2023 school year).

IV. Grantmaking and Development

- ESSER
September 30, 2024 marked the final day of federal Elementary and Secondary School Emergency Relief (ESSER) funding to SC First Steps from the SC Department of Education. We are grateful to the SC Department of Education for the opportunity to help address pandemic early learning loss by expanding high-intensity parenting, health and school transition programs among local First Steps partnerships in serving high-poverty and rural families, increasing retention of our First Steps 4K workforce, and strengthening our preschool language and literacy instructional practices over the past three years. We will present a more detailed report on the \$14.685 million spent and thousands of children impacted at our December board meeting.
- FY25 Discretionary Grantmaking
SC First Steps is pleased to announce the awarding of more than \$7.31 million (\$2.91 million recurring, \$4.4 million non-recurring) in discretionary funding from public and private sources to First Steps local partnership organizations for the 2024-2025 fiscal year. This funding sustains previous expansions of parenting, health, and child care quality programs for an additional year, increases local partnership capacity to serve children and families in their communities, and supports innovative approaches to meeting the needs of underserved populations. SC First Steps is especially grateful to the SC Department of Social Services and the SC Department of Public Health for their \$1 million investments to sustain the expansion of Healthy Steps for an additional two years.
- AmeriCorps State/National Program Grant, Year 5



2024-25 marks SC First Steps' fifth year as an AmeriCorps program, funded by the South Carolina Service Commission at the United Way Association of South Carolina. More than 40 part-time First Steps AmeriCorps members serve as either parent educators delivering the Home Instruction for Parents of Preschool Youngsters (HIPPPY) model or as outreach ambassadors for early childhood services in their home communities. One of the SC Commission's largest funded programs, SC First Steps has been invited to apply for direct federal AmeriCorps funding starting in 2025-26.

- Seeking Volunteers in Service to America (VISTA) Candidates
SC First Steps is actively recruiting three AmeriCorps VISTA candidates for one year of full-time service. These VISTA members will help build capacity within local First Steps nonprofit organizations for communications, fundraising, and nonprofit management. Part of the federal AmeriCorps program, VISTA members receive a living allowance as well as a Segal Education Award at the end of their term of service. Interested applicants may apply at <https://www.scfirststeps.org/get-involved/ameriCorps/> through October 31.

V. HR Updates

- SC First Steps welcomes the following new staff members:
 - Ayobami Balogun, Research Assistant
 - Caleb Buford, First Five Intern
 - Devin Cheeks-Carter, Administrative Intern
 - Cortni Jones, Health Program Assistant
 - Haley Spears, Local Partnership Operations Intern

- Currently, the organization has the following vacancies:
 - 4K Materials Management Coordinator
 - Child Care Quality Coordinator
 - Development Officer
 - Director of Finance
 - Local Partnership Fiscal Manager
 - Parenting Program Coordinator (HIPPPY)
 - Program Officer (Pee Dee Region)
 - Public Engagement Manager