

**South Carolina General Assembly**  
125th Session, 2023-2024

**Bill 4023**

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~~Indicates Matter Stricken~~

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CONFERENCE COMMITTEE REPORT -- NOT PRINTED

June 14, 2023

**H. 40**

Introduced by Reps S. Jones, Erickson, Henegan, Alexander, Bradley, J. L. Johnson, White, Ott, Gilliam, Beach, Gibb, O'Neal, Cromer, McGinnis, McDaniel, Vaughan, Bauer, A. M. Morgan, Leber, T. A. Morgan, Chumley, McCravy, McCravy, Landing, Ballentine, Haddon, Hartnett, Herbkersman, Oremus and Willis

S. Printed 05/10/23--S.

Read the first time April 04, 2023

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## **A BILL**

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 59-152-60, RELATING TO LOCAL FIRST STEPS PARTNERSHIP BOARDS, SO AS TO REVISE THE COMPOSITION, MANNER OF APPOINTMENT, AND TERMS OF MEMBERSHIP OF THE BOARDS, TO PROVIDE FOR THE TERMINATION OF CERTAIN CURRENT BOARD MEMBERS, AND TO PROVIDE FOR THE TRANSITION OF THE PERFORMANCE OF CERTAIN TASKS BY LOCAL FIRST STEPS PARTNERSHIPS; BY AMENDING SECTION 59-152-70, RELATING TO LOCAL PARTNERSHIP BOARDS, SO AS TO INCLUDE PROVISIONS CONCERNING THE ADMINISTRATION OF LOCAL PARTNERSHIPS, AND TO PROVIDE FOR THE ESTABLISHMENT OF MULTICOUNTY PARTNERSHIPS; BY AMENDING SECTION 59-152-150, RELATING TO DEVELOPMENT AND ADOPTION OF STANDARD FISCAL ACCOUNTABILITY SYSTEM FOR LOCAL PARTNERSHIPS, SO AS TO REVISE PROVISIONS CONCERNING COMPETITIVE BIDDING FOR PROCUREMENT; BY ADDING SECTION 63-11-1710, SO AS TO PROVIDE ALL PUBLICLY FUNDED EARLY CHILDHOOD SERVING AGENCIES AND ENTITIES SHALL PARTICIPATE IN CERTAIN DATA SHARING INITIATIVES SUPPORTED BY THE ADVISORY COUNCIL; BY AMENDING SECTION 63-11-1720, RELATING TO THE FIRST STEPS BOARD OF TRUSTEES, SO AS TO ADD THE DIRECTOR OF THE DEPARTMENT OF MENTAL HEALTH AS A TRUSTEE; BY AMENDING SECTION 63-11-1725, RELATING TO THE FIRST STEPS ADVISORY COUNCIL, SO AS TO REVISE DATA GOVERNANCE POLICIES, TO PROVIDE FOR CERTAIN ACTIVITIES TO BUILD PARENT KNOWLEDGE, AND TO REQUIRE THE DEVELOPMENT, IMPLEMENTATION, AND REVIEW OF AN OVERALL STRATEGIC PLAN; BY AMENDING SECTION 63-11-1730, RELATING TO OVERSIGHT DUTIES OF THE FIRST STEPS BOARD OF TRUSTEES, SO AS TO INCLUDE PROVISIONS CONCERNING LOCAL PARTNERSHIP PERSONNEL POLICIES; BY AMENDING SECTION 59-152-10, RELATING TO THE ESTABLISHMENT OF SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS, SO AS TO CLARIFY THAT THE PROVISIONS OF THE AUTHORIZING ACT ARE PERMANENT AND FUTURE REAUTHORIZATIONS ARE NOT REQUIRED; AND BY AMENDING ACT 1999-1, RELATING TO THE TIMES AT WHICH THE SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS ACT TAKES EFFECT AND IS REPEALED UNLESS REAUTHORIZED BY THE GENERAL ASSEMBLY, SO AS TO REMOVE THE AUTOMATIC REPEAL PROVISION AND REAUTHORIZATION REQUIREMENT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1.A. Section 59-152-60 of the S.C. Code is amended to read:

Section 59-152-60. (A) Each county must be represented ~~by~~ on a Local First Steps Partnership Board and each board must provide services within every county it represents. A local partnership board must be comprised of individuals with resources, skills, knowledge, and interest in improving the readiness of young children for school. A list of all local partnership board members must be published in the partnership's annual report, be reported annually to the legislative delegation, and be on file with the Office of First Steps.

(B) The South Carolina First Steps to School Readiness Board of Trustees must establish bylaws for use by each local partnership board. These bylaws must, in addition to other requirements provided in this section, require that a meeting or election of a local partnership board comply with all Freedom of Information Act and IRS disclosure requirements.

(C) In accordance with the bylaws established by the board of trustees, ~~each local partnership board shall maintain a minimum membership of twelve and a maximum membership of thirty elected, appointed, and designated individuals more than twenty-five individuals who are elected or appointed as provided in this subsection. Elected and appointed~~ members shall comprise a voting majority of the board.

(1) No more than four ~~from any of the following categories~~ may be elected to sit on a First Steps Partnership Board:

- ~~\_\_\_\_\_ (a) prekindergarten through primary educator;~~
- ~~\_\_\_\_\_ (b) family education, training, and support provider;~~
- ~~\_\_\_\_\_ (c) childcare or early childhood development/education provider;~~
- ~~\_\_\_\_\_ (d) healthcare provider;~~
- ~~\_\_\_\_\_ (e) local government;~~
- ~~\_\_\_\_\_ (f) nonprofit organization that provides services to families and children;~~
- ~~\_\_\_\_\_ (g) faith community;~~
- ~~\_\_\_\_\_ (h) business community;~~
- ~~\_\_\_\_\_ (i) philanthropic community; and~~
- ~~\_\_\_\_\_ (j) parents of preschool children.~~

(2) ~~To assure that all areas of the county or multicounty region are adequately represented and reflect the diversity of the coverage area, Each county legislative delegation may~~ shall appoint ~~up to four~~ six members to a local partnership board. ~~Of these members, two~~ three are appointed by the Senate members and ~~two~~ three by the House of Representatives. ~~members of the delegation from persons with resources, skills, or knowledge that have specific interests in improving the readiness of young children for school. In multicounty partnerships, the legislative delegations shall modify 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) Each of the following entities located within a particular First Steps Partnership coverage area shall ~~designate~~ recommend one member to the legislative delegation for appointment by the delegation to serve as a member of the local First Steps Partnership Board:

- (a) ~~county~~ Department of Social Services;
- (b) ~~county~~ Department of Health and Environmental Control; and
- (c) Head Start or early Head Start;
- ~~\_\_\_\_\_ (d) county library; and~~
- ~~\_\_\_\_\_ (e) each of the school districts in the county.~~

(4) The county public library system staff located within a particular First Steps Partnership coverage area shall recommend one employee of the system for appointment by its county council to serve as a member of the partnership.

the council either shall make the appointment or reject the appointment and ask the library staff to make an recommendation.

(5) Each public school district board located within a particular First Steps Partnership coverage area shall appoint one of its employees to serve as a member of the local First Steps Partnership.

(6) The legislative delegation may by resolution delegate some or all of its appointments to county council.

(D) In conjunction with the independent external program evaluation established in Section 59-152-160, the South Carolina First Steps to School Readiness Board of Trustees shall conduct a formal review of the membership categories and First Steps Partnership Board composition. Upon completion of the review, the South Carolina First Steps to School Readiness Board of Trustees shall submit to the General Assembly a statement either verifying the continued applicability and appropriateness of the composition categories for First Steps Partnership Boards in place at that time or recommending any appropriate and necessary changes.

~~(E)(1) Members who miss more than three consecutive meetings without excuse or members who resign must be replaced from the same categories as their predecessor are considered terminated from membership and a vacancy created.~~

(2) When any membership vacancy 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 member.

(3) The terms of the members of a local First Steps Partnership Board are for four years; however, excluding appointed members, membership on the board may not exceed eight consecutive years. Elected members may not serve a holdover capacity after their term ends.

(F) The chairman of a local partnership board must be elected by majority vote of the board. The chairman shall serve a one-year term; however, the chairman may be elected to subsequent terms not to exceed a total of four consecutive years.

(G) A local First Steps Partnership board must have policies and procedures for conducting meetings and disclosing records comparable to those provided for in the Freedom of Information Act. Prior to every vote taken by the board members must abstain from voting if the issue being considered would result in a conflict of interest. The abstention must be noted in the minutes of the meeting.

B. The terms of all local First Steps Partnership members designated pursuant to Section 59-152-60(C)(3) terminate on July 1, 2023. The South Carolina First Steps to School Readiness Board of Trustees shall design and implement a transition plan setting forth the tasks to be accomplished by local First Steps Partnerships in compliance with the requirements of this act. This plan shall be fully implemented by July 1, 2024.

SECTION 2. Section 59-152-70 of the S.C. Code is amended to read:

Section 59-152-70. (A) A First Steps Partnership Board shall, among its other powers and duties:

(1) adopt bylaws as established by the First Steps to School Readiness Board to effectuate the provisions of this chapter which must include the creation of a periodic meeting schedule;

(2) coordinate a collaborative effort at the county or multicounty level which will bring the community together to identify the area needs related to the goals of First Steps to School Readiness; develop a strategic long-term plan to meet those needs; develop specific initiatives to implement the elements of the plan; and integrate service delivery where possible;

(3) coordinate and oversee the implementation of the comprehensive strategic plan including, but not limited to, direct service provision, contracting for service provision, and organization and management of volunteer programs;

(4) effective July 1, 2016, each partnership's comprehensive plan shall include the following core functions:

(a) service as a local portal connecting families of preschool children to community-based services they may need; and  
 desire to ensure the school readiness of their children;

(b) service as a community convener around the needs of preschool children and their families; and

(c) support of state-level school readiness priorities as determined by the State Board;

(5) update a needs assessment every three years;

(6) implement fiscal policies and procedures as required by the First Steps office and as needed to ensure the accountability of all funds appropriated to the partnership;

(7) keep accurate records of the partnership's board meetings, board member's attendance, programs, and activities; and submit an annual submission to the First Steps to School Readiness Board of Trustees;

(8) collect information and submit an annual report by October first to the First Steps to School Readiness Board of Trustees, and otherwise participate in the annual review and the three-year evaluation of operations and programs. Before December 1, 2017, and annually before December first thereafter, the Office of South Carolina First Steps shall publish each local partnership's comprehensive plan and annual report on the office's website. Reports must include, but not be limited to:

(a) determination of the current level and data pertaining to the delivery and effectiveness of services for young children and their families, including the numbers of preschool children and their families served;

(b) strategic goals for increased availability, accessibility, quality, and efficiency of activities and services for young children and their families which will enable children to reach school ready to succeed;

(c) monitoring of progress toward strategic goals;

(d) report on implementation activities;

(e) recommendations for changes to the strategic plan which may include new areas of implementation;

(f) evaluation and report of program effectiveness and client satisfaction before, during, and after implementation of the strategic plan, where available; and

(g) estimation of cost savings attributable to increased efficiency and effectiveness of delivery of services to young children and their families, where available;

(9) submit for approval by the South Carolina First Steps to School Readiness Board of Trustees requests to hire a local First Steps partnership executive director. Such a request should provide the rationale for the request and include information as qualifications of applicants, current and requested salaries of applicants, resumes of candidates, and information to justify the salary requested;

(10) submit for approval by the South Carolina First Steps to School Readiness Board of Trustees justification of recommendations for the salary and any salary increases for the local First Steps partnership executive director;

(11) implement and document an annual performance evaluation for the local First Steps partnership executive director. The completed document shall be submitted annually to the South Carolina First Steps to School Readiness Board of Trustees.

(B) Each local partnership may, in the performance of its duties, employ or acquire staff pursuant to the local partnership bylaws established by the South Carolina First Steps to School Readiness Board of Trustees. Overhead costs of a First Steps partnership's operations may not exceed ~~eight~~ thirteen percent of the total state funds appropriated for partnership grants. The South Carolina First Steps to School Readiness Board of Trustees shall contract with an independent cost accountant to provide recommendations as to an adequate, and not excessive, overhead cost rate for individual partnerships no later than July 1, 2017. Once these recommendations are received, the First Steps to School Readiness Board of Trustees may approve the overhead percentage for the local partnership. Once the overhead rates are established, the rates may not be amended or revised for at least five years, and the board may not grant a waiver from this provision to the local partnership. Local partnerships that are not part of a multicounty partnership and exceed the overhead cost rate are ineligible to receive funds.

(C) Each First Steps partnership may apply for, receive, and expend federal, state, and local funds, grants, and other funding in order to improve programs as provided in Section 59-152-25(A).

(D) To be designated a First Steps partnership, the local partnership must be a ~~private~~ nonprofit corporation organized under Section 501(c)(3) of the Internal Revenue Code.

(E)(1) Multiple First Steps local partnerships may collaborate in a manner they determine will maximize the efficient and effective provision of First Steps services and programs to children and their families and best enable the partnerships to execute their duties and powers established in this chapter. In such a collaboration, partnerships may merge or work in concert with one or more of their ~~program~~ programs, administrative, or development functions or establish multicounty partnerships. ~~The decision to collaborate in the manner permitted in this subsection rests entirely with the local partnership boards of directors involved.~~

(2) To establish a multicounty partnership, the partnerships shall submit a joint proposal to the South Carolina First Steps to School Readiness Board of Trustees including, but not limited to, a plan to ensure each county in the partnership coverage area is equally represented on the local partnership board. In furtherance of this process, the South Carolina First Steps to School Readiness Board of Trustees shall have the authority to set aside the local First Steps Partnership board requirements listed within Section 59-152-60(C)(1)-(6), as is necessary to establish a multicounty partnership. A multicounty partnership shall be established nor separated without prior approval by the South Carolina First Steps to School Readiness Board of Trustees.

(F) As a condition of receiving state funds, each local partnership must be subject to performance reviews by the South Carolina First Steps, including, but not limited to, local board functioning and collaboration and compliance with standards and fiscal accountability. If any significant operational deficiencies or misconduct is identified within the partnership, the South Carolina First Steps Board of Trustees must identify a remedy with input from the local legislative delegation.

SECTION 3. Section 59-152-150(A) of the S.C. Code is amended to read:

(A) The Office of South Carolina First Steps to School Readiness shall develop and require local partnerships to adopt and implement a standard fiscal accountability system including, but not limited to, a uniform, standardized system of accounting, internal controls, payroll, fidelity bonding, chart of accounts, and contract management and monitoring. ~~Additionally, the accountability system shall require competitive bids for the purchase or procurement of goods and services of ten thousand dollars or more. A bid other than the lowest bid may be accepted by a majority vote of the partnership board if other considerations outweigh the cost factor; however, written justification must be filed with the Office of First Steps. The Office of First Steps, in consultation with the Office of State Procurement, must adopt and develop procurement policies and procedures. Local partnerships must adopt these policies and procedures for the purchase of goods and services.~~ The Office of First Steps may contract with outside firms to develop and ensure implementation of this standard fiscal accountability system, and the Office of First Steps may inspect fiscal and program records of partnerships and developing partnerships to ensure their compliance with the required system. The Office of First Steps may contract with a state entity with existing means for developing contracts and disbursing funds in order to make use of the existing infrastructure, if it is efficient and not administratively burdensome to partnerships.

SECTION 4. Article 17, Chapter 11, Title 63 of the S.C. Code is amended by adding:

Section 63-11-1726. All publicly funded early childhood-serving agencies and entities shall participate in data-sharing initiatives supported by the advisory council in furtherance of the requirements listed in Section 63-11-1725.

SECTION 5. Section 63-11-1720(C) of the S.C. Code is amended to read:

(C) The board shall include members appointed in the following manner:

(1) the Governor shall appoint one member from each of the following sectors:

- (a) parents of young children;
- (b) business community;
- (c) early childhood educators;
- (d) medical providers;
- (e) child care and development providers; and
- (f) the General Assembly, one member from the Senate and one member from the House of Representatives;

(2) the President of the Senate shall appoint one member from each of the following sectors:

- (a) parents of young children;
- (b) business community;
- (c) early childhood educators; and
- (d) medical or child care and development providers;

(3) the Speaker of the House of Representatives shall appoint one member from each of the following sectors:

- (a) parents of young children;
- (b) business community;
- (c) early childhood educators; and
- (d) medical or child care and development;

(4) the Chairman of the Senate Education Committee or his designee;

(5) the Chairman of the House Education and Public Works Committee or his designee; and

(6) the chief executive officer of each of the following shall serve as an ex officio voting member:

- (a) Department of Social Services;
- (b) Department of Health and Environmental Control;
- (c) Department of Health and Human Services;
- (d) Department of Disabilities and Special Needs;
- (e) State Head Start Collaboration Officer; ~~and~~
- (f) Children's Trust of South Carolina; and

\_\_\_\_\_ (g) Department of Mental Health.

SECTION 6. Section 63-11-1725(B) of the S.C. Code is amended to read:

(B) The membership of the advisory council is ~~exclusively~~ composed of the membership of the Board of Trustees of the South Carolina First Steps to School Readiness Initiative. Each voting and nonvoting member shall serve as a voting member of the South Carolina Advisory Council, concurrent with his service on the board. In addition, two executive directors from local First Steps Partnerships must serve as voting members on the advisory council with one appointed by the House Education and Public Works Committee and one appointed by the Senate Education Committee.

SECTION 7. Section 63-11-1725(D) of the S.C. Code is amended to read:

(D) The State Director of First Steps shall coordinate the activities of the advisory council. Pursuant to 42 U.S.C. Section 9837b(b)(1)(D)(i), the advisory council shall:

(1) conduct a periodic statewide needs assessment concerning the quality and availability of early childhood education and development programs and services for children from birth to the age of school entry, including an assessment of availability of high-quality prekindergarten services for low income children in the State;

(2) identify opportunities for, and barriers to, collaboration and coordination among federally funded and state-funded child development, child care, and early childhood education programs and services, including collaboration and coordination among state agencies responsible for administering these programs;

(3) develop recommendations for increasing the overall participation of children in existing federal, state, and local child care and early childhood education programs, including outreach to underrepresented and special populations;

(4) develop, recommendations regarding the establishment of maintain, and serve as the governing body for a unified and integrated data collection system for public early childhood education and development programs and services throughout the State, implement sound data governance policies that protect privacy, and maintain a comprehensive infrastructure for integrated, and when applicable, longitudinal data for public early childhood education and development programs, and services, and state, local, and federal funding sources throughout the State;

(5) develop and maintain parent knowledge-building activities, including web-based portals to inform parents of publicly funded early childhood programs and services which include, but are not limited to, an eligibility screener common application;

(6) develop recommendations regarding statewide professional development and career advancement plans for early childhood educators in the State;

~~(6)(7)~~ assess the capacity and effectiveness of two-year and four-year public and private institutions of higher education in the State for supporting the development of early childhood educators, including the extent to which these institutions have in place articulation agreements, professional development and career advancement plans, and practicum internships for students to spend time in a Head Start or prekindergarten program;

(8) prepare an overall strategic plan at least once every five years that establishes clearly defined goals, objectives, strategies, and key measures of progress for optimizing the state's early childhood system. Following creation of such a plan, the council shall periodically review the implementation of the plan and review any changes in the state's needs;

~~(7)(9)~~ make recommendations for improvements in state early learning standards and undertake efforts to develop high-quality comprehensive early learning standards, as appropriate;

~~(8)(10)~~ develop and publish, using available demographic data, an indicators-based measure of school readiness at the state and community level;

~~(9)(11)~~ incorporate, within the periodic statewide needs assessments required in 42 U.S.C. Section 9837b, any data related to the capacity and efforts of private sector providers, Head Start providers, and local school districts to serve children from birth to age five, including fiscal, enrollment, and capacity data; and

~~(10)(12)~~ perform all other functions, as permitted under federal and state law, to improve coordination and delivery of early childhood education and development to children in this State.

SECTION 8. Section 63-11-1730 of the S.C. Code is amended to read:

Section 63-11-1730. To oversee and be accountable for the South Carolina First Steps to School Readiness Initiative in accordance with the APA, the board shall:

(1) develop and promulgate a comprehensive long-range initiative for improving early childhood development and increasing school readiness and literacy, which shall include the specific requirements of Chapter 152, Title 59;

(2) in accordance with the APA, promulgate regulations and establish guidelines, policies, and procedures for the continued implementation of the South Carolina First Steps to School Readiness initiative;

(3) provide oversight on the continued implementation and evaluation of the South Carolina First Steps to School Readiness initiative at the state and local levels;

(4) establish and promulgate grant qualification requirements and a formula by which allocations for qualified partnership grants shall be calculated;

(5) ensure the provision of technical assistance, consultation services and support to First Steps Partnerships including the creation and annual revision of county needs assessments; the prioritization, implementation, and evaluation of First Steps Partnership's strategic plans based on needs assessments; and the identification of assets from other funding sources;

(6) assess and develop recommendations: for ensuring coordination and collaboration among service providers at the state and county level, for increasing the efficiency and effectiveness of state programs and funding and other programs and funding sources, as allowable, as necessary to carry out the First Steps to School Readiness initiative, including additional fiscal strategies, redeployment of state resources, and development of new programs;

(7) establish and promulgate results-oriented measures and objectives and assess whether services provided by First Steps Partnerships to children and families are meeting the goals and achieving the results established for the First Steps initiative pursuant to Chapter 152, Title 59;

(8) receive gifts, bequests, and devises for deposit for awarding grants to First Steps Partnerships;

(9) report annually to the General Assembly by January first on activities and progress to include recommendations, changes and legislative initiatives and results of program evaluations;

(10) establish and promulgate internal policies and procedures to allow the board to operate optimally, which may include, but not be limited to, an established and consistent process for decision making;

(11) develop, implement, and document an annual performance process for the Director of the Office of South Carolina First Steps;

(12) establish and promulgate bylaws for adoption by local First Steps Partnerships;

(13) establish core personnel policies and procedures for adoption by local First Steps Partnerships;

(14) develop a standard process by July 1, 2024, for reviewing submissions made by local partnerships as it relates to hiring, salaries, and annual performance evaluations of local partnership executive directors pursuant to Chapter 152, Title 59;

(15) establish and promulgate internal evaluation policies and procedures for local partnerships for annual review pursuant to Chapter 152, Title 59; and

~~(14)~~ (16) arrange for the conduction of an independent external program evaluation pursuant to Chapter 152, Title 59;

SECTION 9. Section 59-152-10 of the S.C. Code is amended to read:

Section 59-152-10. ~~(A)~~ There is established the South Carolina First Steps to School Readiness, a comprehensive results-oriented initiative for improving early childhood development by providing, through local partnerships, public and private funds, and support for high-quality early childhood development and education services for children by providing support for their families' efforts toward enabling their children to reach school ready to succeed.

(B) The provisions of the South Carolina First Steps to School Readiness Act, as enacted by Act 99 of 1999, and subsequently amended, and this chapter are permanently enacted, and future reauthorization is not necessary.

SECTION 10. This act takes effect upon approval by the Governor.

/s/Sen. Scott

/s/Rep. Erickson

/s/Sen. Hembree

/s/Rep. Jones

/s/Sen. Turner

On Part of the Senate

Rep. Tedder

On Part of the House

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This web page was last updated on June 14, 2023 at 02:03 PM