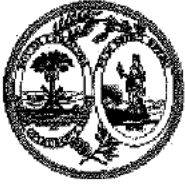


Agency Name:	First Steps		
Agency Code:	H620	Section:	1



**Fiscal Year FY 2021-2022**

**Agency Budget Plan**

**FORM A - BUDGET PLAN SUMMARY**

<b>OPERATING REQUESTS</b> <i>(FORM B1)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
	<input type="checkbox"/>	Requesting Federal/Other Authorization.
	<input type="checkbox"/>	Not requesting any changes.

<b>NON-RECURRING REQUESTS</b> <i>(FORM B2)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
	<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
	<input checked="" type="checkbox"/>	Not requesting any changes.


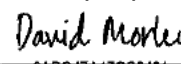
<b>CAPITAL REQUESTS</b> <i>(FORM C)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input type="checkbox"/>	Requesting funding for Capital Projects.
	<input checked="" type="checkbox"/>	Not requesting any changes.

<b>PROVISOS</b> <i>(FORM D)</i>	For FY 2021-2022, my agency is (mark "X"):	
	<input checked="" type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
	<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
	<input type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
<b>PRIMARY CONTACT:</b>	Mark Barnes	(803) 734-8079	MBarnes@scfirststeps.org
<b>SECONDARY CONTACT:</b>	Georgia Mjartan	(803) 734-0391	GMjartan@scfirststeps.org

I have reviewed and approved the enclosed FY 2021-2022 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

<b>SIGN/DATE:</b> <b>TYPE/PRINT NAME:</b>	<i>Agency Director</i>  Georgia Mjartan	<i>Board or Commission Chair</i> DocuSigned by:  David Morley 2AB047A7CC0481...
		Sept. 24, 2020

This form must be signed by the agency head – not a delegate.

Agency Name:	First Steps
Agency Code:	H620
Section:	1

BUDGET REQUESTS			FUNDING					FTES				
Priority	Request Type	Request Title	State	Federal	Earmarked	Restricted	Total	State	Federal	Earmarked	Restricted	Total
1	B1 - Recurring	Full Day 4K (CDEPP)	10,215,935	0	0	0	10,215,935	4.00	0.00	0.00	0.00	4.00
2	B1 - Recurring	First Steps Outcomes and Accountability Data System	142,448	0	0	0	142,448	1.00	0.00	0.00	0.00	1.00
3	B1 - Recurring	Permanent FTE Request	0	0	0	0	0	2.00	0.00	0.00	0.00	2.00
TOTALS			10,358,383	0	0	0	10,358,383	7.00	0.00	0.00	0.00	7.00

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	<b>1</b>
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Full Day 4K (CDEPP)</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$10,215,935</b> <b>Federal: \$0</b> <b>Other: \$0</b> <b>Total: \$10,215,935</b>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	<b>4.00</b>
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input checked="" type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input checked="" type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>This funding supports the following strategies: 1.1.1, 1.2.1 (all), 1.3.1, 2.1 (all), 2.2 (all), 3.1.2, 3.1.2, 3.1.3,3.2 (all), 4.1.1. The first part of Funding would cover the cost of providing the number of students we served in the FY2019-20 fiscal year. These funds would cover the cost of tuition for the children to be served and would ensure that we are not required to reduce the number of children served. These services are evaluated annually by multiple assessments including pre and post services, as well as the Kindergarten Readiness Assessment, annual Education Oversight Committee evaluations, and regular 3<sup>rd</sup> party independent program evaluations.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	<p>Funds would be distributed based on current statutes and provisos as well as SC First Steps 4K operating policies. Rates are established in proviso and paid to Child Care contractors that meet the SC First Steps program operating policies and quality</p>
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**FUNDS**

standards. SC First Steps would need 3 additional Education Associates and 1 Administrative Coordinator in order to support, train, monitor and develop the additional contractors and teachers necessary to meet the objectives in this request.

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF REQUEST**

SC First Steps, through the CERDEP Program, provides eligible children with free, quality, curriculum-based, full day 4-year-old kindergarten in licensed child care centers. \$4,388,383 in additional funds are needed to ensure that current (2019 – 2020) enrollment numbers are not cut, as now-depleted carry-forward funds had previously covered a significant share of student enrollment. SC First Steps has grown the First Steps 4K CERDEP program significantly over the last several years to over 2,600 students using recurring and one-time funding. If these recurring funds are not appropriated, the agency will be forced to reduce services by 700 children. Our program cash carryforward was reduced to approximately \$300,000 on June 30, 2020, after adjusting for carry-forward commitments.

\$678,800 is requested to increase the tuition reimbursement rate from its current \$4,600 per child to \$4,800 per child. A 2018 Rand Corporation Study commissioned by the EOC reported that child care centers' "true cost" for providing First Steps 4K is \$7000, but only \$4600 per student is reimbursed by the state. The child care centers that provide Full Day 4K are financially struggling to survive now more than ever, having experienced lower enrollment during COVID and years of reimbursement rates that are insufficient to cover their true costs. They can no longer "float" this difference, and as a result, centers are closings or declining to take First Steps 4K students. It is critical to increase the reimbursement amount from \$4,600 to \$4,800 per student per year to help the centers come closer to getting the full cost of providing this program in their center.

\$5,148,752 is requested to implement the first of a three-year effort to expand the Full-Day 4K Program statewide. This would allow SC First Steps to start statewide expansion to 33% of the remaining parts of the state and cover the costs of almost 600 of the remaining estimated 1,778 students in the state. This would include funding for all operational categories of expenses necessary to accomplish the expansion. \$4 million would be paid in tuition, \$38,000 in transportation, \$536,775 in classroom grants for fixtures and supplies, with the remainder going to other operating costs.

**This brings the total requested to \$10,215,935.**

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	2
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>First Steps Outcomes and Accountability Data System</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<p><b>General: \$142,448</b></p> <p><b>Federal: \$0</b></p> <p><b>Other: \$0</b></p> <p><b>Total: \$142,448</b></p>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	1.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input checked="" type="checkbox"/>	IT Technology/Security related
<input type="checkbox"/>	Consulted DTO during development	
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	<p>All agency strategies. This request would help meet all of the objectives in our accountability report. First Steps currently makes use of multiple data collection platforms, the most prominent of which is badly outdated and not well-suited meet the agency's own accountability goals. An updated accountability data system will allow us to comprehensively capture and report critical data including unduplicated clients served and outcomes and will create the capacity for SC First Steps data to be integrated with other data sets for longitudinal tracking. It will also support First Steps in meeting significant new reporting requirements established in statute.</p>
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	<p>These recurring funds would be used to contract for the ongoing maintenance and license fees associated with the new data system (to be procured through a competitive state procurement process). They would also be used to fund 1 FTE</p>
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**FUNDS**

charged with managing and monitoring the system and associated data needs.

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF REQUEST**

This request is for the recurring cost of maintaining/licensing and utilizing a comprehensive accountability data system. First Steps' current partnership data system was originally created 19 years ago and is in urgent need of updating. During the last year, SC First Steps, in conjunction with the Department of Social Services, has obtained federal funding to begin the procurement of the new data system. These recurring costs were not included in the federal funding.

This request will support First Steps in meeting multiple statutory requirements, including Section 59-152-50, item 7, which requires the agency to provide for ongoing data collection and Section 59-125-160, which requires First Steps to provide evaluations of each prevalent program investment using valid and reliable measures.

This data system will support First Steps in documenting, monitoring, and reporting across its broad spectrum of program investments. During the 2017 legislative session, the General Assembly passed H.3969 which would require a new longitudinal data system for children and education. This system is necessary to collect the data needed for the state system.

The funds being requested would cover the cost of recurring maintenance, licensing fees, and 1 FTE – a Research and Planning Administrator, \$65,000 plus fringe, for this joint system to be used by multiple SC First Steps programs. We are working with DTO and DIS with all of our data systems and they are currently under contract with SC First Steps. This was included in the request for our IT Plan for 2020-21. Currently, the organization has no position that can meet this need.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM B1 – RECURRING OPERATING REQUEST**

<b>AGENCY PRIORITY</b>	3
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*Provide the Agency Priority Ranking from the Executive Summary.*

<b>TITLE</b>	<b>Permanent FTE Request</b>
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*Provide a brief, descriptive title for this request.*

<b>AMOUNT</b>	<b>General: \$0</b> <b>Federal: \$0</b> <b>Other: \$0</b> <b>Total: \$0</b>
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*What is the net change in requested appropriations for FY 2021-2022? This amount should correspond to the total for all funding sources on the Executive Summary.*

<b>NEW POSITIONS</b>	2.00
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*Please provide the total number of new positions needed for this request.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input checked="" type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

<b>STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES</b>	<b>Mark "X" for primary applicable Statewide Enterprise Strategic Objective:</b>	
	<input checked="" type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

<b>ACCOUNTABILITY OF FUNDS</b>	No funds are requested.
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*What specific strategy, as outlined in the most recent Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?*

<b>RECIPIENTS OF</b>	No Funds are requested. This request is for two permanent FTE's to be funded from existing SC First Steps funds.
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**FUNDS**

*What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?*

**JUSTIFICATION OF  
REQUEST**

Request is for two FTE's. SC First Steps received over \$4 million in annual additional federal and private funds in the last few months, which has enabled the agency to greatly expand existing programs and serve more children and families. This has created a internal capacity challenge for the agency that would be addressed with the additional FTE's. Both of which would be classified as Accountant Fiscal Analyst III. One would be to support the increase in activity for the Local Partnerships, and the second would be to provide Grant Accounting and Reporting for the agency. The agency has recurring funds to support these costs.

*Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.*



Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	1.56&1A.29 <i>Cite the proviso according to the renumbered list (or mark "NEW").</i>
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<b>TITLE</b>	Full-Day 4K <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
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<b>BUDGET PROGRAM</b>	Sec. 1, VIII. Education Improvement Act, I. First Steps to School Readiness, Sec. 1, XII First Steps to School Readiness, Sec. 1, XIII Employee Benefits <i>Identify the associated budget program(s) by name and budget section.</i>
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<b>RELATED BUDGET REQUEST</b>	Yes, Full Day 4K (CDEPP) <i>Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.</i>
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<b>REQUESTED ACTION</b>	Amend <i>Choose from: Add, Delete, Amend, or Codify.</i>
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<b>OTHER AGENCIES AFFECTED</b>	State Department of Education <i>Which other agencies would be affected by the recommended action? How?</i>
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<b>SUMMARY &amp; EXPLANATION</b>	<p>These two provisos provide annual funding levels and geography for the CDEPP program, the proviso is contained in both General Funds and Education Improvement Act Funding sections of the budget bill and they should contain the same wording.</p> <p>The statutes require an annual increase in the tuition amount based on an inflation factor but there is no expected increase in inflation for FY 2021-21.</p> <p>This proviso change would increase the tuition reimbursement rate from its current \$4,600 per child to \$4,800 per child. A 2018 Rand Corporation Study commissioned by the EOC reported that child care centers' "true cost" for providing First Steps 4K is \$7000, but only \$4600 per student is reimbursed by the state. The child care centers that provide Full Day 4K are financially struggling to survive now more than ever, having experienced lower enrollment during COVID and years of reimbursement rates that are insufficient to cover their true costs. They can no longer "float" this difference, and as a result, centers are closings or declining to take First Steps 4K students. It is critical to increase the reimbursement amount from \$4,600 to \$4,800 per student per year to help the centers come closer to getting the full cost of providing this program in their center. The amount paid to centers has been increased four times since the inception of the program in 2006, contrary to state statutes which call for an annual increase.</p> <p>In addition, the language related to the prior school year is amended to say the current school year.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

## FISCAL IMPACT

The \$200 in additional cost per child for the tuition reimbursements for SC First Steps would be \$678,800 based on the total cost of tuition for 2019-20 and for the number of children participating in the program for that most recent full year.

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

## PROPOSED PROVISO TEXT

Eligible students residing in a school district that met the poverty level for participation in the ~~prior~~ current school year are eligible to participate in the South Carolina Early Reading Development and Education Program ~~in the current school year~~. Public and private providers shall be funded for instructional costs at a rate of ~~\$4,600~~ **\$4,800** per student enrolled. Eligible students enrolling during the school year or withdrawing during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall also be eligible for a reimbursement of \$574 per eligible child transported. All providers who are reimbursed are required to retain records as required by their fiscal agent. New providers participating for the first time in the current fiscal year and enrolling between one and six eligible children shall be eligible to receive up to \$1,000 per child in materials and equipment funding, with providers enrolling seven or more such children eligible for funding not to exceed \$10,000. Providers receiving equipment funding are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps. The Department of Education shall only provide funding for public school students whose complete records have been entered into PowerSchool based on the one hundred and thirty-five day student average daily membership. For the current fiscal year, providers may enroll pay-lunch children who score at or below the twenty-fifth national percentile on two of the three DIAL-3 subscales by July 1 if at least seventy-five percent of the total number of children eligible or the Child Early Reading Development and Education Program in a district or county are projected to be enrolled in that program, Head Start, or ABC Child Care Program as determined by the Department of Education and the Office of First Steps, Child Early Reading Development and Education Program. Providers may receive reimbursement for these children if funds are available.

Annually, the Department of Education is directed to audit the annual allocations to public providers to ensure that allocations are accurate and aligned to the appropriate pro rata per student allocation, materials, and equipment funding. In the event the department, during the audit process determines that the annual allocations of the prior fiscal year are not accurate, the department must adjust the allocations for the current fiscal year to account for the audit findings. The department must provide the results of the annual audit findings to the General Assembly no later than December first. Likewise, in the event the Office of First Steps determines that the annual allocations of the prior fiscal year to private providers are not accurate, the Office of First Steps must adjust the allocations for the current fiscal year to account for the findings.

Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Child Development Education Pilot Program and to issue findings in a report to the General Assembly by January fifteenth of each year. To aid in this evaluation, the Education Oversight Committee shall determine the data necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a private provider. The Department of

Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades along with information, recommendations, and a timeline for how the state can increase the number of students served in high-quality programs.

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	1.68&1A.56 <i>Cite the proviso according to the renumbered list (or mark "NEW").</i>
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<b>TITLE</b>	CDEPP Unexpended Funds <i>Provide the title from the renumbered list or suggest a short title for any new request.</i>
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<b>BUDGET PROGRAM</b>	Sec. 1, VIII. Education Improvement Act, I. First Steps to School Readiness, Sec. 1, XII First Steps to School Readiness, Sec. 1, XIII Employee Benefits <i>Identify the associated budget program(s) by name and budget section.</i>
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<b>RELATED BUDGET REQUEST</b>	Yes: Full-Day 4K (CDEPP) <i>Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.</i>
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<b>REQUESTED ACTION</b>	Amend <i>Choose from: Add, Delete, Amend, or Codify.</i>
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<b>OTHER AGENCIES AFFECTED</b>	State Department of Education <i>Which other agencies would be affected by the recommended action? How?</i>
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<b>SUMMARY &amp; EXPLANATION</b>	<p>These two Provisos direct the use of 4K unexpended funds at SC First Steps and should contain the same wording.</p> <p>Requested changes include an elimination of \$1 million to be transferred to the Education Oversight Committee. SC First Steps eliminated its cash carry forward in the 4K Program at the end of SFY 2019-20 due to additional services to children and their related expenditures. The EOC supports this request.</p> <p>Requested change replaces a fiscal year reference with "the current fiscal year" to prevent the need to amend this proviso annually.</p> <p>In addition, the SC First Steps requested changes will allow us to continue to improve the quality of services to eligible children, based on its level of funding, by increasing the payment to high quality centers. In addition to centers rated high quality by the ABC Quality System, national accreditation by the National Association for the Education of Young Children will also be used as an indicator for high quality.</p> <p>The limitation of \$1 million is being increased to \$1.4 million for high quality centers. In addition, SC First Steps can use any source of funds, not just carryforward, if they are available, to cover these costs. This will be important as SC First Steps increases the number of children served in these centers.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

## FISCAL IMPACT

The initial Fiscal Impact would include a reduction of \$1 million in transfers to the Education Oversight Committee. The increase in Fiscal impact may be as much as \$400,000 for Quality Improvement. This request is associated with the recurring increase for Full-Day 4K requested in this budget packet. The net effect of these changes should result in a decrease in expenditures of \$600,000.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

## PROPOSED PROVISO TEXT

For **the current** Fiscal Year ~~2019-20~~, the Office of First Steps to School Readiness is permitted to use ~~retain the first \$1,000,000~~ **\$1,400,000** of any unexpended CDEPP funds ~~of the prior fiscal year~~ and expend these funds to enhance the quality of the full-day 4K program in private centers and provide professional development opportunities. ~~By August first, the Office of First Steps is directed to allocate any additional unexpended CDEPP funds from the prior fiscal year and any CDEPP funds carried forward from prior fiscal years that were transferred to the restricted account for the following purpose: Education Oversight Committee—\$1,000,000 for the South Carolina Community Block Grants for Education Pilot Program.~~

~~If carry forward funds are less than the amounts appropriated, funding for the items listed herein shall be reduced on a pro rata basis.~~

If by August first, the Department of Education or the Office of First Steps determines there will be funds available, funds shall be allocated on a per pupil basis for districts eligible for participation first, who have a documented waiting list, and funded an extended program per this proviso in the prior school year, then to districts to increase the length of the program to a maximum of eight and a half hours per day or two hundred and twenty days per year or to fund summer programs. The department and the Office of First Steps are authorized to target funds to ensure that the schools in which more than one third of third graders scored "Does Not Meet Expectations" on the state English/language arts assessment are serving all eligible four year olds. By August 1, the Department of Education and the Office of First Steps must collect the documented waiting lists and determine a process to notify parents of eligible students of available slots in all approved providers. If a district chooses to fund summer enrollment the program funding shall conform to the funding in this act for full year programs, however shall be reduced on a pro rata basis to conform with the length of the program. A summer program shall be no more than eight and a half hours per day and shall be not more than ten weeks in length. The per pupil allocation and classroom grant must conform with the appropriated amount contained in this Act and end of year adjustments shall be based on the one hundred and thirty five day student average daily membership or later student average daily membership for districts choosing to extend the program past one hundred and eighty days. Funds may also be used to provide parent engagement, professional development and quality evaluations of programs.

For **the current** Fiscal Year ~~2019-20~~, the Office of First Steps may pilot a program to provide higher reimbursement rates to high quality centers in order to increase the numbers of First Steps participants. ~~Utilizing up to \$1,000,000 of carry forward funding, t~~ **The reimbursement rate for students enrolled by private providers rated B or higher in the ABC Quality System operated by the Department of Social Services or has National Association for the Education of Young Children (NAEYC) Accreditation** may be increased by up to 10% of the per-student base following guidelines developed by the Office of First Steps.

No later than April first, the Department of Education and the Office of First Steps must report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the expenditure of these funds to include the following information: the amount of money used and specific steps and measures taken to enhance the quality of the 4K program and the amount of money used for professional development as well as the types of professional development offered and the number of

participants.

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	1.73
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	SDE: Military Child Care Centers
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	Sec. 1, VIII. Education Improvement Act, I. First Steps to School Readiness, Sec. 1, XII First Steps to School Readiness
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	No
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*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.*

<b>REQUESTED ACTION</b>	Amend
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	None
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>Proviso allows SC First Steps to reimburse child care centers in military child care settings for CERDEP eligible children. Funds do not supplant federal funds. The requested change would allow facilities in school districts that are approved for the current year, not the previous year.</p>
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*Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.*

**FISCAL IMPACT**

Proviso allows for current CERDEP eligible children to receive instruction at military child care centers. There would be no increase in cost nor would these funds supplant any federal fund expenditures.

*Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.*

**PROPOSED  
PROVISO TEXT**

During the current fiscal year, South Carolina First Steps to School Readiness may extend four-year-old kindergarten provider eligibility to military child care settings regulated by the United States Department of Defense. State funds appropriated for use in military child care facilities must be used to expand service to CERDEP eligible children residing in school districts approved for participation ~~during the prior fiscal year~~ and may not be used to supplant any existing federal child care investment.

*Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.*



Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM D – PROVISO REVISION REQUEST**

<b>NUMBER</b>	1.74
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*Cite the proviso according to the renumbered list (or mark "NEW").*

<b>TITLE</b>	SDE: First Steps 4K Underserved Communities
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*Provide the title from the renumbered list or suggest a short title for any new request.*

<b>BUDGET PROGRAM</b>	Sec. 1, VIII. Education Improvement Act, I. First Steps to School Readiness, Sec. 1, XII First Steps to School Readiness
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*Identify the associated budget program(s) by name and budget section.*

<b>RELATED BUDGET REQUEST</b>	Yes: Full-Day 4K (CDEPP)
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*Is this request associated with a budget request you have submitted for FY 2021-2022? If so, cite it here.*

<b>REQUESTED ACTION</b>	Amend
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*Choose from: Add, Delete, Amend, or Codify.*

<b>OTHER AGENCIES AFFECTED</b>	None
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*Which other agencies would be affected by the recommended action? How?*

<b>SUMMARY &amp; EXPLANATION</b>	<p>Proviso allows private providers to apply for up to \$30,000 in one-time supplemental funds to increase the number of children served by bringing themselves into compliance with licensing regulations, materials and staffing so they can provide 4K for children in underserved areas. In addition, the proviso allows services to be offered if providers provide services to multi-districts, and multi counties.</p> <p>Date of reporting needs to be changed to reflect the new budget year.</p> <p>One change is being requested to eliminate the words "Newly created or newly approved". This change would allow any child care center, whether currently a provider or not, to add additional classrooms, which in turn will increase the number of children served. This creates a fair opportunity for any provider to increase children served.</p> <p>We are also requesting to delete the words "during the most recent fiscal year." This will ensure that any currently eligible community or center can participate.</p> <p>In addition, we are requesting to remove the \$1 million in carryforward funds for private grants for public private partnerships. The carryforward balance for the 4K program has essentially been eliminated as of July 1, 2020.</p>
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

## FISCAL IMPACT

There is no fiscal impact with the change to this proviso.

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

## PROPOSED PROVISO TEXT

Using funds appropriated for the Child Early Reading and Development Education Program, South Carolina First Steps shall develop a pilot program to expand four-year-old kindergarten enrollment within underserved communities eligible for participation ~~during the most recent fiscal year. Newly created and/or newly approved p~~ Private providers proposing to expand service to ten or more CERDEP eligible children in communities unable to enroll all of eligible students in a public, private, or Head Start setting during the prior fiscal year, may apply for up to \$30,000 in one-time supplemental, needs-based incentives designed to address building renovations, documented as necessary to bring proposed classrooms into compliance with licensing regulations, materials and staffing costs, and/or other obstacles currently preventing their participation in the First Steps 4K program. The First Steps Board of Trustees shall develop and approve an application process that incorporates formal review and fiscal safeguards designed to ensure grant funds are used solely to address documented barriers to program participation. Providers receiving this one-time supplement are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the supplemental allocation at a level determined by the Office of First Steps to School Readiness. First Steps shall submit a report detailing its process, expenditures and expanded enrollment to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee by March 15, 202022.

For the **current fiscal year** ~~Fiscal Year 2019-20~~, the Office of First Steps may pilot a program to provide CERDEP services in underserved communities serving multi counties and multi-districts. 4K centers served by this pilot may provide CERDEP-funded services to eligible children from non-CERDEP districts but must also offer services to students from at least one school district eligible to participate in the CERDEP program. ~~Utilizing up to \$1,000,000 of carry forward funding, First Steps may provide grants to participants in this pilot if they are public-private partnerships to address building renovations and designs necessary to get the building and classrooms into compliance with licensing regulations and other obstacles that prevent participation in the CERDEP program following guidelines developed by SC First Steps. Providers participating in this pilot are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the supplemental allocation at a level determined by the Office of First Steps to School Readiness.~~

Paste existing text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION CONTINGENCY PLAN**

<b>TITLE</b>	Agency Cost Savings and General Fund Reduction Contingency Plan
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<b>AMOUNT</b>	\$195,868
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*What is the General Fund 3% reduction amount? This amount should correspond to the reduction spreadsheet prepared by EBO.*

<b>ASSOCIATED FTE REDUCTIONS</b>	No FTE's would be reduced. Any general fund reductions for staffing would be covered by other sources of funds.
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*How many FTEs would be reduced in association with this General Fund reduction?*

<b>PROGRAM / ACTIVITY IMPACT</b>	The CDEPP (4K) Program would be the only program impacted by a potential 3% general fund reduction. The total amount would be \$195,646. This program provides full day funding for 4 year old kindergarten at private providers for children in low income families.
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*What programs or activities are supported by the General Funds identified?*

<b>SUMMARY</b>	<p>3% of the total amount of General Funds received by the organization in SFY 2019-20 would be <math>\\$6,522,877 \times .03 = \\$195,686</math>. This consists of the following:</p> <p>Classified Positions \$ 2,029</p> <p>Employer Contrib. \$ 891</p> <p>CDEPP \$192,766</p> <p>Total \$195,686</p> <p>These funds are allocated for the CDEPP Program for children. This could reduce the number of children that are served in the program and could affect up to 42 children.</p>
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*Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.*

**AGENCY COST  
SAVINGS PLANS**

The agency is constantly evaluating ways to be more efficient and provide greater benefit to the people we serve. This includes working on quality of services, and working to keep costs as low as possible, while accomplishing our mission. In addition, during 2019-20 the agency added a Strategic Impact Manager to help us to collect and evaluate data that will make our services more effective and more efficient.

*What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?*

Agency Name:	First Steps		
Agency Code:	H620	Section:	1

## **FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS**

<b>TITLE</b>	SC First Steps
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*Provide a brief, descriptive title for this request.*

<b>EXPECTED SAVINGS TO BUSINESSES AND CITIZENS</b>	<b>SC First Steps does not assess fines for fees associated with its services. First Steps has no regulations on businesses or members of the public.</b>
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*What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.*

<b>FACTORS ASSOCIATED WITH THE REQUEST</b>	<b>Mark "X" for all that apply:</b>
	<input type="checkbox"/> Repeal or revision of regulations.
	<input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens.
	<input type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden.
	<input type="checkbox"/> Other

<b>METHOD OF CALCULATION</b>	N/A
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*Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.*

<b>REDUCTION OF FEES OR FINES</b>	N/A
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*Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?*

<b>REDUCTION OF REGULATION</b>	N/A
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*Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?*

<b>SUMMARY</b>	N/A
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*Provide an explanation of the proposal and its positive results on businesses or citizens. How will the request affect agency operations?*