



SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS BOARD OF TRUSTEES MEETING

**The Offices of Haynsworth Sinkler Boyd
1201 Main Street, Columbia SC**

**March 21, 2013
2 p.m.**

Minutes

Voting Directors Present: Mr. Lewis T. Smoak
Rev. Reece Yandle
Ms. Lisa Van Riper
Ms. Linda O'Quinn
Mr. Walter Fleming, Jr.
Ms. Julie Hussey
Dr. Francis Rushton (via phone)
Ms. Judith Aughtry
Ms. Julia-Ellen Davis
Representative Rita Allison (via phone)
Representative Jerry Govan

Voting Directors Absent: Senator Mike Fair, excused
Ms. Lisa Van Riper, excused
Dr. Floyd Creech, excused
Gov. Nikki R. Haley, excused
Ms. Evelyn Patterson
Dr. Mick Zais
Ms. Kim Aydlette, SC DOE Designee for Dr. Mick Zais
Senator John Matthews

Non-Voting Directors Present: Ms. Kelly Cordell, representing Ms. Leigh Bolick, DSS Designee for Ms. Lillian Koller
Ms. Brenda Martin, DHEC Designee for Catherine Templeton
Ms. Jennifer Buster, DDSN Designee for Dr. Beverly Buscemi
Ms. Susie Williams-Manning, DAODAS Designee for Mr. Bob Toomey
Ms. Susan Jones, SC DOT Designee for Mr. Robert St. Onge
Mr. Tim Ervolina, UWay of SC, Director

Non-Voting Directors Absent:

Mr. John Magill, DMH Director, excused
Mr. Anthony Keck, DHHS Director
Mr. Bobby Bowers, B&CB, ORS Director
Ms. Rebecca West, SC Technical College System Designee for Dr. Darrel Staat
Mr. Jim Griffith, Transportation Association of SC Director
Ms. Julie Carullo, CHE Director, excused
Mr. Paul Krohne, SC School Board Association, Director

Others Present:

Ms. Susan DeVenny, SCFS Director
Dr. Dan Wuori, SCFS Program Coordinator
Ms. Jeanie Herrod, SCFS Administrative Assistant
Ms. Kristie Musick, SCFS / BabyNet
Ms. Betsy Marshall, SCFS
Ms. Mary Anne Mathews, SCFS
Ms. Debbie Robertson, SCFS
Ms. Karen Odom, Chesterfield County First Steps
Mr. Derek Lewis, Greenville County First Steps
Mr. Tony Nolan, Chesterfield County First Steps
Ms. Carol Daly, Georgetown County First Steps
Mr. Bill Brown, USC
Mr. Michael Rentiers, Moore and Van Allen / NFP
Mr. Joe Waters, ICS
Ms. Rachael Fulmen, State Budget Division
Ms. Erika Kirby, BCBS Foundation
Mr. Reginald Williams, SCSU
Ms. Sue Williams, Children's Trust
Ms. Melody Nichols, SCDDSN
Ms. Sarah Crawford, SC B&CB, ORS

Call to Order

Mr. Lewis Smoak, Vice-Chair

Mr. Lewis Smoak called the meeting to order. He introduced Representative Jerry Govan, who has served in the Legislature for 21 years, as the newest member of the South Carolina First Steps to School Readiness Board of Trustees. Rep. Govan stated that his experience as a father and grandfather led to his interest in serving on the board.

Approval of December 6, 2012 minutes

Mr. Lewis Smoak

Mr. Smoak called for approval of the minutes. Ms. Julie Hussey so moved. The minutes of the December 6, 2012 South Carolina First Steps Board of Trustees meeting were unanimously approved.

Committee Reports

Program and Grants

Dr. Floyd Creech, Chair

Dr. Floyd Creech presented the new standards for programs for next year. The Program and Grants Committee has met twice to review and go through the standards. Most of the changes are to bring programs into standard with national

models or to clarify. There are no substantive changes to the guidelines. Dr. Dan Wuori pointed out that significant changes are: adding a new standard section for Nurse Family Partnership programs and that the Family Literacy standards, the Child Care Training standards and the Partnership Operations standards have been held from the current document to be approved during the June 2013 meeting. Dr. Floyd Creech moved to approve the program standards. The standards unanimously approved. Strategies from Marion County FS and from Fairfield County First Steps were presented to the board for approval. Dr. Rushton moved to approve the strategies. Mr. Smoak called for a vote and the strategies were unanimously passed.

Finance and Administration

Mrs. Judith Aughtry, Chair

Ms. Judith Aughtry reviewed the Finance and Administration report with the board. She stated that First Steps is well within norms for spending.

Ms. Aughtry introduced the current list of County Partnerships that are requesting Waivers for the Administrative percentages. Ms. Aughtry noted that on average, the County Partnerships fall within in the recommended percentages. Mr. Smoak noted that CDEPP funds were taken out of the base, which caused some County Partnership's percentages to rise dramatically. Ms. Aughtry noted that focused technical support would be offered to County Partnerships who are consistently over the 8% limit for administrative costs. Representative Rita Allison questioned whether all 46 counties used the same uniform definition of administrative costs. Mr. Russell Brown explained that administration percentages are based on all funding sources, not just their state funds. County Partnership staff members are allowed to be cost allocated because not all of the Executive Director's time is spent on administrative tasks; some of their time is spent on programmatic tasks. This programmatic time is not counted in their administrative percentage. Ms. Allison stated her concern that County Partnerships not be penalized for their work in raising funds and supplementing the state allocations in their programs. She stated specific concern for smaller County Partnerships. Ms. Aughtry (or Susan) stated that there are currently no means for penalizing County Partnerships that exceed the 8% limit. Ms. Aughtry recommended, after we get the LAC findings, that FS look over the funding formula, and to take a look to see if there is a way to hold the counties accountable. Ms. Aughtry called for a motion to approve the waivers. Mr. Walter Fleming so moved. Mr. Smoak clarified that the waivers are for FY12 and stated that each CP sent in a letter of explanation which had been reviewed by the committee. Mr. Smoak called for a vote and the waivers passed unanimously. Ms. Aughtry introduced the Match waivers. She noted that many of the CPs worked very hard in their fund-raising efforts and did a remarkable job every day. Ms. Aughtry stated that the state office works hand-in-hand with CPs that are not able to make their match and strives to help them ascertain what they can do to achieve their goals. Ms. Aughtry called a motion to approve the Match waivers. Mr. Walter Fleming so moved. Mr. Smoak further clarified that the match requirement is 15% and stated that First Steps has done a great job in finding additional resources for kids to match the dollars that legislators provide and joined in praising the CPs for the job they've done raising funds. Mr. Smoak called for a vote and the Match waivers were unanimously approved.

Ms. Aughtry offered, for information purposes only, the request from the Richland County Partnership to be approved to buy property. She stated that the F&A committee are still investigating the proposal. She read the following legal statement from Steve McKinney, from HSB law firm:

**SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES
FINANCE COMMITTEE
MARCH 21, 2013**

With regard to the proposal by Richland County First Steps ("RCFS") to acquire and renovate the building located at 1717 Gervais Street in Columbia, South Carolina as presented to the South Carolina First Steps to School Readiness Board of Trustees Finance Committee (the "Committee") on March 21, 2013, the Committee has determined that, upon approval by the United States Department of Education of the payment of the costs of acquisition and renovation, including the repayment of loans incurred for those purposes, from federal funds received and to be received by RCFS, the Committee will recommend to the South Carolina First Steps to School Readiness Board of Trustees that it adopt the following resolution:

The South Carolina First Steps to School Readiness Board of Trustees (the "Board") has considered the proposal by Richland County First Steps ("RCFS") to acquire and renovate the building located at 1717 Gervais Street in Columbia, South Carolina substantially on the terms attached as Exhibit A hereto, and finds that the expenditure of state funds allocated annually by the Board to RCFS for the costs of acquisition and renovation, including the repayment of loans incurred for those purposes would (1) meet a priority need for the local initiative and other state or federal funds for such projects are insufficient and (2) is necessary to provide services to under-served children and families.

Therefore, the Board approves the acquisition and renovation and approves the expenditure of state funds allocated annually by the Board to RCFS for the costs of acquisition and renovation, including the repayment of loans incurred for those purposes, not exceeding 33.3 per cent (%) of the total of such costs in any fiscal year, such approval being contingent upon RCFS having first obtained, before any such expenditure of annual state funds, either (1) an opinion from the South Carolina Attorney General or (2) a final decision from a court of competent jurisdiction, that the expenditure of such funds for such purposes is permitted under South Carolina law. The Board will cooperate with RCFS in obtaining such an opinion or decision.

Columbia: 1780788 v.1

Mr. Smoak stated that the Finance committee met with the Richland County board the same morning (March 21, 2013) and had a thorough review and a thick packet of information to look at and it looks like they will be able to provide more services to children through the purchase of the building rather than continuing to pay lease payments. He emphasized that the board would make the final decision.

Ms. Aughtry presented the FY14 Projection of Allocations to the CPs. She reviewed the materials in the packet, pointing out the amount of money, using the funding formula, allocated to each CP. She noted the one-time allocation of carry-over money from last year and explained the rest of the chart to show the money needed to keep the CPs at their current levels. Ms. Aughtry noted that one-time funding cannot be counted on for planning for FY15.

Ms. Aughtry called for questions. Rep. Allison asked about the formula upon which the allocations were based. Ms. DeVenny stated that the formula, which had been adopted in 2000, uses an 80/20 split (80 demographic and 20 quality). Mr. Smoak called for further questions. There was no response. Mr. Aughtry moved to approve the allocations. Mr. Smoak called for a vote and the allocations were unanimously approved.

Strategic Planning and Evaluation

Mrs. Lisa Van Riper, Chair

Ms. Lisa Van Riper stated that the Strategic Planning and Evaluation committee had no actions for the board. However, she notified the board that the committee will schedule a briefing via webinar in the next two weeks to hear two updates: new CDEPP research by the Education Oversight committee which was released Monday, March 18, 2013 and also Nurse Family Partnership analysis by DHEC which will be released Monday, March 25, 2013. Ms. Van Riper welcomed Leigh Bolick, who is a new member to the SP&E committee. Mr. Smoak called for questions and there were no responses.

Director's Report

Mrs. Susan DeVenny

Susan recognized Kelly Cordell, who was present at the meeting to represent Leigh Bolick and the Department of Social Services, and Sarah Crawford, who represented the Budget and Control Board.

Ms. DeVenny introduced Derek Lewis, along with Dr. Amy Picklesimer and Mr. Joe Waters, to talk about the current progress with Nurse Family Partnership. Ms. DeVenny thanked Rep. Allison and Rep. Govan, who allowed FS to keep a million dollars of carry-forward money from the fledgling CDEPP program which the Duke Endowment then matched. More match and more funds have been coming forward to the point where we now have NFP in 19 counties and a partnership with DHEC and the Children's Trust and now have over 22 million dollars invested in this service.

Mr. Lewis gave a brief overview of how the relationship between Greenville County First Steps and NFP started and the work they are continuing to do to expand the NFP program throughout the state. Mr. Lewis introduced Dr. Amy Picklesimer. Dr. Picklesimer briefly explained her areas of expertise and how her work with unmarried pregnant women and pregnant women with limited access to health care led to her involvement with NFP.

Dr. Picklesimer showed a video which featured the story of one young woman who participated in the Nurse Family Partnership program and how that program affected her life and benefited her during her pregnancy and beyond. After the video, Dr. Picklesimer opened the floor for questions and discussions. Mr. Smoak and Ms. DeVenny talked about the benefit and impact of this program and the state and local partnerships that are involved in bringing NFP to all of South Carolina. Ms. DeVenny asked Mr. Michael Rentiers, and Mr. Chris Bishop (who was on the phone) to talk more about the program. Mr. Bishop talked about a recent study that had come out from the PEW center state that came out in January 2013 that showed that for every one dollar invested there is a 9.50 return in savings to society and a number of different government departments. Also introduced in the report was the fact that the cost per family is between 7500 and 7700 dollars total, which is quite a bargain for the population we serve and the challenges faced. Mr. Bishop also talked about connecting NFP families with other community services in conjunction with local FS offices and other programs offered such as PAT. NFP is limited to serving children until age 2 but other programs can serve them much longer and we want to get them connected in that regard.

Mr. Smoak mentioned that FS should try to take PAT and drive it to the earlier years if we can, based on the NFP model, to create more of an impact through PAT earlier in the child's life. Mr. Yandle asked how many visits per week or per month each nurse makes. Dr. Picklesimer stated that at the for the first six weeks of the program visits are made every week as the nurse develops a relationship with the family, and then every other week until the baby is delivered. After the child is born, nurses visit weekly again for about six weeks during this critical period, then they visit every other week from them on. The girls are in constant contact, through phone calls and text messages and are aware they can call with any questions and concerns. Mr. Smoak added that the number of girls in the program who have repeat unwanted pregnancies within five years is dramatically decreased.

Ms. O'Quinn mentioned an editorial recently published in the Wall Street Journal states that programs such as NFP, are cost effective. Dr. Picklesimer noted that these programs provide benefits that accrue across the life of the mother and the child. Rep. Govan asked if NFP cooperates with BabyNet and Healthy Start in getting children screened. Dr. Picklesimer reported that NFP and other early childhood programs do cooperate and collaborate to meet the needs of the children and families. Mr. Bishop added that he was very impressed by Dr. Picklesimer and NFP are triaging in a way that can get the eligible moms into the program and to connect with local partners to provide assistance for young mothers who are not eligible. It keeps Moms and families from falling through the cracks. Dr. Picklesimer stated that every week girls drop off the wait list because they cannot be served due to lack of space.

Ms. Susan Jones complemented Dr. Picklesimer on her passion and energy and thanked her for her commitment to the program and asked her what she enjoyed the most in working with the program. Dr. Picklesimer stated that while she used to worry about young pregnant women she now knows that there is a successful and effective program that can be utilized. Dr. Picklesimer thanked South Carolina First Steps and Derek Lewis for their partnership in making the program work.

Dr. DeVenny thanked Dr. Picklesimer for her time and continuing work.

Ms. DeVenny recognized Mr. Joe Water, from the Institute for Child Success, who gave a brief talk on Social Impact Bonds, which would provide a way to fund more Nurse Family Partnership programs. The Institute for Child Success became interested in Social Impact Bonds because of programs like Nurse Family Partnership that are high quality, evidence based programs that meet the needs of the most at risk children. Social Impact Bonds are a new approach for scaling proven social programs that have a positive social impact and also save governments money. Philanthropic organizations and Impact Investors, not governments, provide the capital to scale social programs and the government pays for the outcomes which produces long-term net savings. The idea of the Social Impact Bond is to use private investment capital to scale up social intervention programs that we know work and that generate savings for the government. From those savings, the government repays private investors their money plus a return. The Institute for Child Success feels that Nurse Family Partnership in particular is good program to look at the feasibility for a Social Impact Bond for South Carolina. The Duke Endowment has stepped in to provide funding for a full scale feasibility study on a Nurse Family Partnership Social Impact Bond in SC. This study is led by Megan Bolden, a fellow at the Wagner School of Public Service at New York University. Mr. Waters also stated that the Institute for Child Success has worked with Governor Haley and her budget and policy team to put together an application to Harvard's Kennedy School of Government, around Nurse Family Partnership, to receive technical assistance from Harvard, and from Jeff Liebman, who served as Special Assistant to the President for economic policy during the Clinton administration and is now a professor at Harvard. The Institute for Child Success, along with Governor Haley, has made an application to them to receive technical assistance and a full time government innovation fellow to work within our government in South Carolina to bring paper success bonds or Social Impact Bonds to South Carolina. The Early Childhood Social Impact Finance Working Group is hosting a webinar on April 15, 2013 with Andrea Phillips, the VP of the Urban Investment Group at Goldman Sachs in New York and Jessica (Kippy) Joseph, Associate Director of Innovation of the Rockefeller Foundation in New York. Both are leaders in Social Impact Bonds, and are very excited about what's going on in South Carolina. Mr. Waters invited everyone to attend the webinar. Mr. Waters then went on to clarify the seven steps to a Social Impact Bond.

Ms. DeVenny pointed out that South Carolina is the first in the world to undertake a Social Impact Bond on early childhood and asked Rep. Govan and Rep. Allison to make sure the legislature knows we are first in the world on this, thanks to the leadership of the ICS. Ms. DeVenny opened the floor for questions; there were no responses. Ms. DeVenny thanked the Greenville NFP Team, members of the NFP national service office and recognized the following members of the SC NFP leadership team: Brenda Martin, Sue Williams, and Erica Kirby and thanked them for their participation.

Ms. DeVenny presented the current standing position statement on four-year-old kindergarten from 2008, which was made available for review in case revisions are needed, which would be taken up at the next meeting.

Ms. DeVenny introduced Karen Ponder, who gave a brief overview of an opportunity that South Carolina has to engage in discussions with other southern states. Ms. Ponder spoke about the Build Initiative, a national organization that focuses on building early childhood programs within the state. A southern states organization was recently formed in Atlanta and South Carolina First Steps was invited to participate to discuss equity issues, share ideas about improving data systems and strengthening the state's early childhood workforce, and how to enroll vulnerable children in high-quality services. The goal will be to expand the teams and to increase conversation about equity. Ms. DeVenny stated that about 9 states are currently involved with this effort and that she is looking forward to broadening the conversation possibly this fall about how we deal with early childhood equity issues in South Carolina. She thanked Karen for her report.

Ms. DeVenny noted that on March 22, 2013 about 60 people from the SC early childhood system would meet to look at who makes up the early childhood workforce and the variety of professional development that is currently available for people who either support children, the teachers, or parents or for early interventionists. This group will look at the findings of the Clemson study and think together about how we can replicate and share the best practices that we know exist in our state. Ms. DeVenny noted that action by the board on the child care training standards for First Steps had been delayed in order to consider the findings of this meeting.

Ms. DeVenny drew attention to the fact that State Ethics reports are due by April 15, 2013. She also noted that Ms. Samantha Ingram has been sending out weekly WOYC newsletter during the run-up to WOYC in April. Ms. DeVenny noted that everyone had a copy of the Joint Citizens and Legislative Committee on Children's paper on school readiness for their review.

Report from Reauthorization Panel

Ms. Susan DeVenny

Ms. DeVenny explained that companion bills had been introduced in both the house and the senate. The senate bill has had several hearings and is now in the education committee probably awaiting the Legislative Audit Council report before it goes further. The bill was introduced in the house on March 20, 2013. Ms. DeVenny thanked those who had been involved in testimony. She noted that if the bill does not pass this year there is a proviso attached to the house version that would allow First Steps to remain in operation for another year. Mr. Smoak concurred with Ms. DeVenny's conjecture that both the senate and house would like to see the Legislative Audit Council report before they move forward. Mr. Smoak expressed concern that the timing in the legislature is going to keep First Steps from getting the bill through in a timely manner.

Mr. Smoak drew attention to a document in the packet which delineated the work First Steps has done over the years. Mr. Smoak stated that sharing facts such as these are important because some legislators may not know exactly what First Steps does. Mr. Smoak reviewed some of the facts with the board; pointing out the successes achieved and savings produced through First Steps programs. Mr. Smoak explained that doing away with the readiness test in 2006 makes it harder for FS to measure its success; but noted that reduction in retention rates shows that FS programs work. The numbers have gone down dramatically – almost by half. With continued funding and more work, FS can half these numbers again.

Mr. Smoak called for any other business. Rep. Govan stated that he wanted to make sure the people in the room left the meeting remembering the impact First Steps is having on the lives of families and young children who are struggling. He commended First Steps for its good work.

Adjournment

With no further business, the meeting was adjourned.

Next meeting: June 27, 2013