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**VERSIONS OF THIS BILL**

[12/6/2017](file:///p:\pprever\2017-18\840_20171206.docx)

**A** **BILL**

TO AMEND TITLE 63 OF THE 1976 CODE, RELATING TO THE SOUTH CAROLINA CHILDREN’S CODE, BY ADDING CHAPTER 10, TO CREATE THE DEPARTMENT OF EARLY DEVELOPMENT AND EDUCATION; TO PROVIDE THAT THE DEPARTMENT IS DIVIDED INTO TWO DIVISIONS, THE EARLY HEALTH AND WELLNESS DIVISION AND THE EARLY CARE AND EDUCATION DIVISION; TO PROVIDE THAT THE EARLY HEALTH AND WELLNESS DIVISION SHALL ADMINISTER THE BABYNET PROGRAM, THE NURSE‑FAMILY PARTNERSHIP PROGRAM FUNDED BY THE FEDERAL MATERNAL AND CHILD HEALTH BLOCK GRANT PROGRAM, THE WOMEN, INFANTS, AND CHILDREN SUPPLEMENTAL FOOD PROGRAM, THE POSTPARTUM NEWBORN HOME VISIT PROGRAM FUNDED BY THE FEDERAL MATERNAL AND CHILD HEALTH BLOCK GRANT PROGRAM, AND THE QTIP FEDERAL DEMONSTRATION GRANT FUNDED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES; TO PROVIDE THAT THE EARLY CARE AND EDUCATION DIVISION SHALL ADMINISTER THE HEAD START COLLABORATION OFFICE FUNDED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, THE FIRST STEPS TO SCHOOL READINESS INITIATIVE, THE OFFICE OF EARLY LEARNING, THE ABC CHILDCARE PROGRAM FUNDED BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, THE STATE CHILDCARE FIRE AND LIFE SAFETY OFFICE, THE STATE CHILDCARE LICENSING OFFICE, THE CHILD CARE RESOURCE AND REFERRAL NETWORK FUNDED BY THE FEDERAL CHILDCARE DEVELOPMENT BLOCK GRANT; AND THE SOUTH CAROLINA CHILD DEVELOPMENT EDUCATION PROGRAM, AS PROVIDED BY LAW; TO DEFINE NECESSARY TERMS; AND TO MAKE CONFORMING CHANGES TO THE 1976 CODE TO REFLECT THE CREATION OF THE DEPARTMENT OF EARLY DEVELOPMENT AND EDUCATION.

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

SECTION 1. Title 63 of the 1976 Code is amended by adding:

“CHAPTER 10

Department of Early Development and Education

ARTICLE 1

General Provisions

Section 63-10-10. There is created the Department of Early Development and Education. The department shall be headed by an executive director who shall be appointed by the Governor upon the advice and consent of the Senate. The executive director must possess sound moral character, superior knowledge of and experience in the field of early childhood development or education, and proven administrative ability. The director is subject to removal by the Governor pursuant to the provisions of Section 1‑3‑240.

Section 63-10-20. The department shall be comprised of two divisions, the Early Health and Wellness Division and the Early Care and Education Division. The executive director shall appoint a head for each of the department’s divisions. The division directors serve at will and may be removed by the executive director. The two divisions shall undertake the duties and responsibilities provided by law.

Section 63-10-30. For purposes of this chapter:

(1) ‘Department’ means Department of Early Development and Education.

(2) ‘Executive director’ means the Executive Director of the Department of Early Development and Education.

(3) ‘First Steps’ means the First Steps to School Readiness initiative.

(4) ‘QTIP’ means Quality through Technology and Innovation in Pediatrics.

ARTICLE 3

The Early Health and Wellness Division

SUBARTICLE 1

General Provisions

Section 63-10-300. The Early Health and Wellness Division shall be responsible for the administration of the following programs:

(1) the BabyNet program, as provided for in this article;

(2) the Nurse‑Family Partnership program funded by the federal Maternal and Child Health Block Grant Program;

(3) the Women, Infants, and Children Supplemental Food program, as provided for in this article;

(4) the Postpartum Newborn Home Visit program funded by the federal Maternal and Child Health Block Grant Program; and

(5) the QTIP federal demonstration grant funded by the United States Department of Health and Human Services.

Section 63-10-310. For the purposes of this article:

(1) ‘BabyNet’ means the interagency early intervention system that is the Part C program in South Carolina.

(2) ‘I.D.E.A.’ means the Individuals with Disabilities Education Act, 20 U.S.C. Section 1400, et seq.

(3) ‘Maintenance of effort’ means the requirement of the Part C program that relevant state and local agencies maintain a specified level of financial support for early intervention services in compliance with 34 C.F.R. 303.124.

(4) ‘Part C program’ means a program of early intervention services to infants and toddlers with disabilities required in each state by I.D.E.A.

(5) ‘Person’ means any individual, corporation, partnership, association, firm, trust, estate, or other legal entity.

(6) ‘Vendor’ means any food store or pharmacy approved for participation in the WIC Program that has a valid WIC Vendor Agreement on file at the WIC Program office.

(7) ‘WIC’ or ‘WIC program’ means the Special Supplemental Food Program for Pregnant and Breastfeeding Women, Infants, and Children.

Section 63-10-320. The division shall ensure that BabyNet complies with the maintenance of effort requirement by coordinating with all agencies that provide early intervention services in this State to ensure they each properly document all Part C expenditures annually.

Section 63-10-330. (A) The department is the single state agency to receive federal funds granted the State to further the powers and duties imposed on the department pursuant to this chapter, including, but not limited to, the Maternal and Child Health Block Grant and the Childcare Development Block Grant.

(B) The Governor shall make arrangements with the federal government and the departments and agencies receiving these funds at the time of enactment of the chapter to transfer the funding to the Department of Early Care and Learning.

SUBARTICLE 3

WIC Program

Section 63-10-340. The division is responsible for the effective and efficient administration of the WIC program within South Carolina, as may be delegated by the federal government pursuant to federal act and regulation.

Section 63-10-350. The division is authorized to:

(1) enter into agreements with vendors in order to provide supplemental foods for program participants;

(2) hold hearings, compel the attendance of witnesses, and make findings and determinations;

(3) issue, revoke, and modify orders relating to the administration of the WIC program;

(4) establish and impose disqualification periods for persons not meeting the terms of the WIC program Vendor Agreement or violating regulations;

(5) establish and impose a point system to be used to determine the disqualification period;

(6) recover monies from any vendor that overcharges the department; and

(7) settle or compromise any action or cause of action for the recovery of a penalty or monies under this article as it may consider advantageous to the State.

Section 63-10-360. (A) Any person who violates any of the provisions of this subarticle, or any regulation, agreement, final determination, or order of the department related to the WIC program, is guilty of a misdemeanor and upon conviction must be punished by a fine of not less than five hundred dollars nor more than ten thousand dollars for each day’s violation or be imprisoned for a period not to exceed one year, or both.

(B) Any person violating any of the provisions of this subarticle, or any regulation, agreement, final determination, or order of the department related to the WIC program, is subject to disqualification, or a civil penalty not to exceed five thousand dollars each day of the violation, or both.

Section 63-10-370. A decision of the department related to the WIC program imposing disqualification or penalties, or requiring a vendor to refund monies for overcharging, may be appealed pursuant to the state Administrative Procedures Act and the department’s Contested Cases Regulation.

Section 63-10-380. The department may promulgate and enforce regulations governing the participation of vendors in the WIC program, including a point system to determine periods of disqualification; other sanctions and civil penalties for violations of this article as they relate to the WIC program and regulations issued under it; and any other policies or practice requirements to implement the purpose of this article as it relates to the WIC program.

ARTICLE 5

The Early Care and Education Division

SUBARTICLE 1

General Provisions

Section 63-10-500. The Early Care and Education Division shall be responsible for the administration of the following programs:

(1) the Head Start Collaboration Office funded by the United States Department of Health and Human Services;

(2) the First Steps to School Readiness Initiative, as provided for in this article;

(3) the Office of Early Learning;

(4) the ABC Childcare program funded by the United States Department of Health and Human Services;

(5) the state Childcare Fire and Life Safety Office, as provided for in Chapter 13, Title 63;

(6) the state Childcare Licensing Office, as provided for in Chapter 13, Title 63;

(7) the Child Care Resource and Referral Network funded by the federal Childcare Development Block Grant; and

(8) the South Carolina Child Development Education Program, as provided by law.

SUBARTICLE 3

South Carolina First Steps to School Readiness

Section 63-10-510. (A) The division director shall employ a South Carolina First Steps to School Readiness Administrator who shall oversee the South Carolina First Steps to School Readiness initiative, a broad range of innovative early childhood development and education, family support, health services, and prevention efforts to meet critical needs of South Carolina's children through the awarding of grants to partnerships at the county level as provided for in Section 59‑152‑90.

(B) The division may accept gifts, bequests, and grants from any person or foundation. The fund and grants from the fund shall supplement and augment, but not take the place of, services provided by local, state, or federal agencies. The division shall carry out activities necessary to administer the fund including assessing service needs and gaps, soliciting proposals to address identified service needs, and establishing criteria for the awarding of grants.

Section 63-10-520. To oversee and be accountable for the South Carolina First Steps to School Readiness Initiative, the administrator shall, in accordance with the APA:

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

(2) promulgate regulations and establish guidelines, policies, and procedures for the continued implementation of the South Carolina First Steps to School Readiness initiative in accordance with the provisions contained in Chapter 23, Title 1;

(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 qualifying 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 each 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 both the state and county level and 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 if 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 to the General Assembly annually by January first on activities and progress to include recommendations for changes and legislative initiatives, and results of program evaluations;

(10) establish and promulgate internal policies and procedures to allow the division to operate optimally, which shall 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 administrator of the Office of South Carolina First Steps;

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

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

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

Section 63-11-530. (A) A separate fund must be established to accept nongovernmental grants, gifts, and donations from any public or private source for the South Carolina First Steps to School Readiness initiative. Each donor may designate up to one‑half of his contribution to specific counties or a county. Both the designated and undesignated funds may be used to meet the local match required in Section 59‑152‑130. All funds may be carried forward from fiscal year to fiscal year. The State Treasurer shall invest the monies in this fund in the same manner as other funds under his control are invested, and all interest derived from the investment of these funds shall remain in the fund. The administrator shall administer and authorize any disbursements from the fund. Private individuals and groups must be encouraged to contribute to this endeavor.

(B) In addition, a separate fund within the state general fund must be established for monies that may be appropriated by the General Assembly for the South Carolina First Steps to School Readiness initiative. These funds may be carried forward from fiscal year to fiscal year. The State Treasurer shall invest the monies in this fund in the same manner as other funds under his control are invested. The administrator shall administer and authorize any disbursements from the fund.

(C) All interest derived from the investment of the funds in subsections (A) and (B) shall remain a part of each respective fund.”

SECTION 2. A. Section 59-152-20 of the 1976 Code is amended to read:

“Section 59-152-20. The purpose of the First Steps initiative is to develop, promote, and assist efforts of agencies, private providers, and public and private organizations and entities, at the state level and the community level, to collaborate and cooperate in order to focus and intensify services, assure the most efficient use of all available resources, and eliminate duplication of efforts to serve the needs of young children and their families. First Steps funds must not be used to supplant or replace any other funds being spent on services but must be used to expand, extend, improve, or increase access to services or to enable a community to begin to offer new or previously unavailable services in their community. The ~~South Carolina First Steps to School Readiness Board of Trustees~~ Early Care and Education Division, Office of First Steps to School Readiness, and the local First Steps Partnerships shall ensure that collaborations, the existence and continued development of partnerships, and the sharing and maximizing of resources occur so that the funding of grants and services, as provided in this chapter, may continue.”

B. Section 59-152-25(A) - (D) of the 1976 Code is amended to read:

“Section 59-152-25. For the purposes of this title:

(A) ‘Evidence‑based program’ means a program based on a clear and consistent program model that is designated as such by the ~~South Carolina First Steps to School Readiness Board of Trustees~~ Early Care and Education Division because the program:

(1)(a) is grounded in published, peer‑reviewed research that is linked to determined outcomes;

(b) employs well‑trained and competent staff to whom the program provides continual professional development that is relevant to the specific model being delivered;

(c) demonstrates strong linkages to other community‑based services; and

(d) is operated to ensure program fidelity; or

(2) is commonly recognized by experts in the field as such a program.

(B) ~~‘Board of trustees’ or ‘board’ means the First Steps to School Readiness Board of Trustees pursuant to Article 17, Title 63~~ ‘Division’ means the Early Care and Education Division, an administrative unit within the Department of Early Development and Education.

(C) ‘Evidence‑informed program’ means a program that does not satisfy the criteria of an evidenced‑based program model but that the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division determines is supported by research indicating its potential effectiveness.

(D) ‘Partnership’ refers to a local First Steps organization designated as such by the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division, organized under Section 501(c)(3) of the Internal Revenue Code as a nonprofit corporation, and formed to further, within the coverage area, the purpose and goals of the First Steps initiative as stated in Sections 59‑152‑20 and 59‑152‑30.”

C. Section 59-152-32 of the 1976 Code is amended to read:

“Section 59-152-32. (A) ~~In Section 63‑11‑1720, the South Carolina First Steps to School Readiness Board of Trustees~~ The division may carry out its assigned functions by developing a comprehensive long‑range initiative for improving early childhood development, increasing school readiness ~~and literacy~~, establishing results‑oriented measures and objectives, and assessing whether services provided by First Steps Partnerships to children and families are meeting the goals and achieving the results established in this chapter. The ~~board~~ division shall do the following to fulfill these duties ~~before July 1, 2015~~:

(1) in consultation with the State Board of Education, and with the advice and consent of that board, adopt a description of school readiness that includes specific:

(a) characteristics and development levels of a ready child that must include, but are not limited to, emerging literacy, numeracy, and physical, social, and emotional competencies;

(b) characteristics of school, educators, and caregivers that the ~~board~~ division considers necessary to create an optimal learning environment for the early years of students' lives; and

(c) characteristics of the optimal environment which would lead to the readiness of students and their continued success;

(2) establish specific benchmarks and objectives for use by the ~~board of trustees~~ division, local partnership boards, and any agency that administers a program to benefit preschool children;

(3) determine whether state and local programs and activities are effective and contribute to achieving the goals established in Section 59‑152‑30; and

(4) publish and distribute a list of approved evidence‑based and evidence‑informed programs.

(B) The ~~board of trustees~~ division shall review the school readiness description, benchmarks, and objectives and adopt any revisions it considers appropriate ~~before December 31, 2014, again~~ before December 31, 2019, and every five years ~~afterward~~ thereafter.”

D. Section 59-152-33(A) of the 1976 Code is amended to read:

“Section 59-152-33. (A) (A) ~~Before July 1, 2015, the~~ The South Carolina Education Oversight Committee shall recommend an assessment to evaluate and measure the school readiness of students prior to their entrance into a prekindergarten or kindergarten program per the goals pursuant to Section 59‑152‑30 to the State Board of Education. Prior to submitting the recommendation to the State Board, the Education Oversight Committee shall seek input from the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division and other early childhood advocates. In making the recommendation, the South Carolina Education Oversight Committee shall consider assessments that are research‑based, reliable, and appropriate for measuring readiness. The assessment chosen must evaluate each child's early language and literacy development, numeracy skills, physical well‑being, social and emotional development, and approaches to learning. The assessment of academic readiness must be aligned with first and second grade standards for English language arts and mathematics. The purpose of the assessment is to provide teachers, administrators, and parents or guardians with information to address the readiness needs of each student, especially by identifying language, cognitive, social, emotional, and health needs, and providing appropriate instruction and support for each child. The results of the screenings and the developmental intervention strategies recommended to address the child's identified needs must be provided, in writing, to the parent or guardian. Reading instructional strategies and developmental activities for children whose oral language and emergent literacy skills are assessed to be below the national standards must be aligned with the district's reading proficiency plan for addressing the readiness needs of each student. The school readiness assessment adopted by the State Board of Education may not be used to deny a student admission or progress to kindergarten or first grade. Every student entering the public schools for the first time in prekindergarten and kindergarten must be administered a readiness screening by the forty‑fifth day of the school year.”

E. Section 59-152-33(D) of the 1976 Code is amended to read:

“(D) The ~~South Carolina First Steps to School Readiness Board of Trustees~~ division shall support the implementation of the school readiness assessment and must provide professional development to support the readiness assessment for teachers and parents of programs supported with First Steps funds. The ~~board~~ division shall utilize the annual aggregate literacy and other readiness assessment information in establishing standards and practices to support all early childhood providers served by First Steps.”

F. Section 59-152-40 of the 1976 Code is amended to read:

“Section 59-152-40. The ~~South Carolina First Steps to School Readiness Board of Trustees established in Section 63‑11‑1720~~ division shall oversee and be accountable for the South Carolina First Steps to School Readiness initiative.”

G. Section 59-152-50 of the 1976 Code is amended to read:

“Section 59-152-50. Under supervision of the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division, there is created an Office of South Carolina First Steps to School Readiness. The office shall:

(1) provide to the ~~board~~ division information on best practice, successful strategies, model programs, and financing mechanisms;

(2) review the local partnerships' plans and budgets in order to provide technical assistance and recommendations regarding local grant proposals and improvement in meeting statewide and local goals;

(3) provide technical assistance, consultation, and support to local partnerships to facilitate their success including, but not limited to, model programs, strategic planning, leadership development, best practice, successful strategies, collaboration, financing, and evaluation;

(4) evaluate each program funded by the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division on a regular cycle to determine its effectiveness and whether it should continue to receive funding;

(5) recommend to the ~~board~~ division the applicants meeting the criteria for First Steps partnerships and the grants to be awarded;

(6) submit an annual report to the ~~board~~ division by December first which includes, but is not limited to, the statewide needs and resources available to meet the goals and purposes of the First Steps to School Readiness initiative, a list of risk factors the office considers to affect school readiness, identification of areas where client‑level data is not available, an explanation of how First Steps programs reach the most at‑risk children, the ongoing progress and results of the First Steps to School Readiness initiative statewide and locally, fiscal information on the expenditure of funds, and recommendations and legislative proposals to further implement the South Carolina First Steps to School Readiness initiative statewide;

(7) provide for ongoing data collection. ~~Before June 30, 2015,~~ ~~the board~~ The division shall develop a response to the November 2014 external evaluation of each prevalent program and the overall goals of the initiative, as provided in Section 59‑125‑160. The office shall contract with an external evaluator to develop a schedule for an in‑depth and independent performance audit designed to measure the success of each prevalent program in regard to its success in supporting the goals of the ~~State Board~~ division and those set forth in Section 59‑152‑20 and Section 59‑152‑30. Results of all external performance audits must be published in the First Steps annual report; and

(8) coordinate the First Steps to School Readiness initiative with all other state, federal, and local public and private efforts to promote good health and school readiness of young children and support for their families.”

H. Section 59-152-60(B), (C), and (D) of the 1976 Code are amended to read:

“(B) The ~~South Carolina First Steps to School Readiness Board of Trustees~~ division 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~~ division, each local partnership board shall maintain a total minimum membership of twelve and a maximum membership of thirty elected, appointed, and designated individuals. 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 appoint up to four members to a local partnership board. Of these members, two are appointed by the Senate members and two by the House of Representative members of the delegation from persons with resources, skills, or knowledge that have specific interests in improving the readiness of young children for school.

(3) Each of the following entities located within a particular First Steps Partnership coverage area shall designate one member 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;

(c) Head Start or early Head Start;

(d) county library; and

(e) each of the school districts in the county.

(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~~ division shall conduct a formal review of the membership categories for First Steps Partnership Board composition. Upon completion of the review, the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division 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.”

I. Section 59-152-70(A) and (B) of the 1976 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~~ division 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 for meeting 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 or 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~~ division;

(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 fiscal 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 for annual submission to the ~~First Steps to School Readiness Board of Trustees~~ division;

(8) collect information and submit an annual report by October first to the ~~First Steps to School Readiness Board of Trustees~~ division, and otherwise participate in the annual review and the three‑year evaluation of operations and programs. 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 the 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.

(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 School to Readiness Board of Trustees~~ division. Overhead costs of a First Step partnership's operations may not exceed eight percent of the total state funds appropriated for partnership grants. The ~~South Carolina First Steps to School Readiness Board of Trustees~~ division 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~~ division may adjust the overhead percentage for the local partnership.”

J. Section 59-152-90 of the 1976 Code is amended to read:

“Section 59-152-90. (A) A local partnership's grant may be funded annually by the ~~First Steps School to Readiness Board of Trustees~~ division and must be contingent on the General Assembly's appropriation of funds to use for offering grants.

(B) To obtain a grant, a First Steps partnership must qualify by meeting the grant requirements established pursuant to subsection (C). A First Steps Partnership shall submit an application to the Office of First Steps in a format specified by the ~~First Steps to School Readiness Board~~ division. The application shall include the level of funding requested, a description of needs of children and families; assets and resources available; and the proposed strategies to address needs as they relate to the goals of South Carolina First Steps to School Readiness.

(C)(1) ~~Pursuant to Section 63‑11‑1730, the South Carolina First Steps to School Readiness Board of Trustees~~ The division shall establish the grant qualification requirements. The ~~board~~ division shall develop and promulgate grant qualification requirements in regulation pursuant to the Administrative Procedures Act. These requirements must include, but not be limited to, the following:

(a) adoption and adherence to bylaws promulgated by the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division, which includes, but is not limited to, compliance with the board composition, attendance, voting, and disclosure requirements;

(b) utilization of the South Carolina First Steps to School Readiness benchmarks and objectives;

(c) implementation of programs and activities, which are effective and contributing to state goals, and otherwise acceptable pursuant to the requirements of Chapter 152, Title 59; and

(d) fulfillment of all the duties in Section 59‑152‑70.

(2) The ~~South Carolina First Steps to School Readiness Board of Trustees~~ division shall establish a formula, which includes the identification of the most relevant and effective factors, by which the allocations for qualifying partnership grants are calculated. The ~~board~~ division shall identify the factors, develop the funding formula, and promulgate both in regulation pursuant to the Administrative Procedures Act. The factors utilized in the funding formula, and the weight given to each factor by the formula, must reflect that the intent of the General Assembly is to ensure that the money allocated to each local partnership is in proportion to the following:

(a) population of eligible children;

(b) population of at‑risk children; and

(c) population with below average income.

(3) First Steps shall include the grant qualification requirements and funding formula on its website. The website information shall include formula details, announcements regarding proposed changes to the formula, and directions for public input.

(D) In conjunction with the independent external program evaluation established pursuant to Section 59‑152‑160, the ~~board of trustees~~ division shall conduct a formal review of the grant qualification requirements and funding process adopted pursuant to subsection (C) and, upon completion of the review, shall submit to the General Assembly a statement either verifying the continued applicability and appropriateness of the grant qualification requirements and funding process in use at that time or recommending any appropriate and necessary changes.

(E) Funding must reflect the combined total allocations of the coverage area of a multicounty partnership.”

K. Section 59-152-120 of the 1976 Code is amended to read:

“Section 59-152-120. Funds received by a local partnership may not be used for capital expenses, new construction, or to renovate, refurbish, or upgrade existing facilities without prior approval by the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division.”

L. Section 59-152-130 of the 1976 Code is amended to read:

“Section 59-152-130. (A)(1) Local partnerships shall provide an annual match of at least fifteen percent, to include private donations, grant funds, and in‑kind donated resources, or any combination of them. The ~~South Carolina First Steps to School Readiness Board of Trustees~~ division may decrease this percentage requirement for a partnership based on their capacity to provide that match. The First Step partnership shall encourage private individuals and groups to contribute to a partnership's efforts to meet its match. The match required of individual partnerships by the ~~First Steps board~~ division should take into consideration such factors as:

~~(1)~~(a) local wealth, using such indicators as the number and percentage of children eligible for free and reduced lunches in grades 1‑3; and

~~(2)~~(b) in‑kind donated resources.

(2) Only in‑kind donations, as defined by the standard fiscal accountability system provided for in Section 59‑152‑150, which meet the criteria established by the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division and that are quantifiable may be applied to the in‑kind match requirement.

(B) The Office of South Carolina First Steps to School Readiness shall establish guidelines and reporting formats for partnerships to document expenses to ensure they meet matching fund requirements. The office shall compile a report annually on the private cash and in‑kind contributions received by the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division and First Steps partnerships.”

M. Section 59-152-150(B) and (C) are amended to read:

“(B) Each local First Steps partnership shall expend funds through the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division or its fiscal designees until the capacity of the local partnership to manage its fiscal and administrative responsibilities in compliance with the standard accountability system has been reviewed and certified by the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division or its designee.

(C) All private and nonstate funds sought by local partnerships must be used exclusively for meeting the goals and purpose of First Steps as specified in Section 59‑152‑20 and Section 59‑152‑30. Private funds received by a First Steps partnership must be deposited in a separate fund subject to review by the Office of First Steps and the ~~State Board~~ division.”

N. Section 59-152-160(A) of the 1976 Code is amended to read:

“Section 59-152-160. (A) The ~~South Carolina First Steps to School Readiness Board of Trustees~~ division shall establish internal evaluation policies and procedures for local partnerships for an annual review of the functioning of the partnership, implementation of strategies, and progress toward the interim goals and benchmarks. In instances where no progress has been made, the Office of First Steps to School Readiness shall provide targeted assistance, ~~and/~~or the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division may terminate the grant. An independent evaluation of each prevalent program investment using valid and reliable measures must be completed and published by the ~~First Steps Board of Trustees~~ division no less than every five years. The First Steps board shall adopt a cyclical evaluation calendar including each major program investment no later than June 30, 2015. After publication of a baseline report for each major program investment as defined in Section 59‑152‑25, subsequent reports will be published no later than five calendar years from the date of each prior publication. In addition to the independent evaluation of each prevalent program, an evaluation of the progress on the initiative's goals and purpose must be completed by November 1, 2014, and every five years thereafter by an independent, external evaluator under contract with the ~~South Carolina First Steps to School Readiness Board of Trustees~~ division. The purpose of this evaluation will be to gauge First Steps' progress in meeting the goals established in Section 59‑152‑20 and Section 59‑52‑30.”

SECTION 3. A. Section 63-13-10(C) of the 1976 Code is amended to read:

“(C) Nothing in this chapter shall create authority for the Department of ~~Social Services~~ Early Development and Education to influence or regulate the curriculum of childcare facilities.”

B. Section 63-13-20(11) of the 1976 Code is amended to read:

“(11) ‘Department’ means the ~~State Department of Social Services~~ Department of Early Development and Education, the agency designated to administer the regulation of childcare facilities under this chapter, with the advice of the State Advisory Committee on the Regulation of Childcare Facilities.”

C. Section 63-13-120 of the 1976 Code is amended to read:

“Section 63-13-120. The Department of ~~Social Services~~ Early Development and Education in conjunction with existing training regulations shall make available to childcare owners and operators staff training on domestic violence including, but not limited to:

(1) the nature, extent, and causes of domestic and family violence;

(2) issues of domestic and family violence concerning children;

(3) prevention of the use of violence by children;

(4) sensitivity to gender bias and cultural, racial, and sexual issues;

(5) the lethality of domestic and family violence;

(6) legal issues relating to domestic violence and child custody.”

D. Section 63-13-190(A)(1) of the 1976 Code is amended to read:

“Section 63-13-190. (A)(1) Before the Department of ~~Social Services~~ Early Development and Education employs a person in its childcare licensing or child protective services divisions, the person shall undergo a state fingerprint review to be conducted by the State Law Enforcement Division to determine any state criminal history and a fingerprint review to be conducted by the Federal Bureau of Investigation to determine any other criminal history. No person may be employed in these divisions if the person has been convicted of or pled guilty or nolo contendere to any crime listed in Section 63‑13‑40(A).”

E. Section 63-13-825(A) of the 1976 Code is amended to read:

“Section 63-13-825. (A) An operator of a family childcare home and any person employed by or who contracts with an operator of a family childcare home to provide direct childcare, annually shall complete and provide documentation to the Department of ~~Social Services~~ Early Development and Education of a minimum of ten hours of training approved by the department.”

SECTION 4. The following sections or articles as contained in the 1976 Code are repealed: Section 63-11-1735; Article 7, Chapter 5, Title 43; and Article 17, Chapter 11, Title 63.

SECTION 5. The General Assembly finds that the sections presented in this act constitute one subject as required by Article III, Section 17 of the South Carolina Constitution, in particular finding that each change and each topic relates directly to or in conjunction with other sections on the subject of the creation of the Department of Early Development and Education as clearly enumerated in the title.

The General Assembly further finds that a common purpose or relationship exists among the sections, representing a potential plurality but not disunity of topics, notwithstanding that reasonable minds might differ in identifying more than one topic contained in the act.

SECTION 6. The repeal or amendment by this act of any law, whether temporary, permanent, civil, or criminal, does not affect pending actions, rights, duties, or liabilities founded thereon, or alter, discharge, release, or extinguish any penalty, forfeiture, or liability incurred under the repealed or amended law, unless the repealed or amended provision shall so expressly provide. After the effective date of this act, all laws repealed or amended by this act must be taken and treated as remaining in full force and effect for the purpose of sustaining any pending or vested right, civil action, special proceeding, criminal prosecution, or appeal existing as of the effective date of this act and for the enforcement of rights, duties, penalties, forfeitures, and liabilities as they stood under the repealed or amended laws.

SECTION 7. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 8. A. Where the provisions of this act transfer duties, programs, or services of the Department of Health and Environmental Control, the Department of Health and Human Services, the Department of Disabilities and Special Needs, the State Department of Education, the Department of Social Services, and the First Steps to School Readiness Board of Trustees, the employees, authorized appropriations, and assets and liabilities of these divisions, services, and programs also are transferred to and become part of the Department of Early Care and Learning. All classified or unclassified personnel employed by the divisions, programs, services, or initiatives transferred from the Department of Health and Environmental Control, the Department of Health and Human Services, the Department of Disabilities and Special Needs, the State Department of Education, the Department of Social Services, and the First Steps to School Readiness Board of Trustees, either by contract or by employment at will, become on July 1, 2018 employees of the Department of Early Care and Learning, with the same compensation, classification, and grade level, as applicable. Before the transfer of the applicable divisions, programs, services, or initiatives of the Department of Health and Environmental Control, the Department of Health and Human Services, the Department of Disabilities and Special Needs, the State Department of Education, the Department of Social Services, and the First Steps to School Readiness Board of Trustees pursuant to this act, these agencies and organizations shall cause all necessary actions to be taken to accomplish this transfer in accordance with state and federal laws and regulations.

B. Applicable regulations promulgated by the Department of Health and Environmental Control, the Department of Health and Human Services, the Department of Disabilities and Special Needs, the State Department of Education, and the Department of Social Services are continued and are considered to be promulgated by the Department of Early Care and Learning. Applicable contracts entered into by the Department of Health and Environmental Control, the Department of Health and Human Services, the Department of Disabilities and Special Needs, the State Department of Education, the Department of Social Services, and the First Steps to School Readiness Board of Trustees are continued and are considered to be devolved upon the Department of Early Care and Learning at the time of the transfer.

C. The Code Commissioner is directed to change or correct all applicable references to the Department of Health and Environmental Control, the Department of Health and Human Services, the Department of Disabilities and Special Needs, the State Department of Education, the Department of Social Services, and the First Steps to School Readiness Board of Trustees to the Department of Early Care and Learning.

SECTION 9. This act takes effect July 1, 2018.

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