

Recommendations of the SC Legislative Audit Council for First Steps June 2013

Draft Recommendations	Key	Reauthorization Bill Implication	Requires Trustee or Staff Action
DEMOGRAPHIC DATA ON AT-RISK CHILDREN			
1. In each of its annual reports, S.C. First Steps should report the percentage of those served who possess each risk factor, where client level data is available.	D		✓
2. In its annual reports, S.C. First Steps should state where client-level data is not available and explain how these programs reach the most at-risk children.	D		✓
3. S.C. First Steps should model its annual report on the accountability report used by South Carolina departments and agencies.	D		✓
SC FIRST STEPS PROGRAMS			
4. The General Assembly should amend state law to establish a statewide definition of school readiness.	E	IN DRAFT BILL Section 59-152-25	
5. The General Assembly should amend state law to authorize the South Carolina Department of Education to adopt a statewide readiness assessment of children entering the formal education system.	E	DRAFT BILL Section 59-152-33	
6. The General Assembly should amend Section 59-152-70 (A)(7)(1) of the Code of Laws to eliminate the requirement that county partnerships annually evaluate programs for effectiveness.	E		
7. South Carolina First Steps should independently evaluate each publicly-funded program individually on a regular basis to determine effectiveness and continued funding.	E		✓
8. The General Assembly should amend Section 59-152-50(6) and 59-152-160(B) of the South Carolina Code of Laws to clarify the period of time addressed by the external evaluation.	E	IN DRAFT BILL Section 59-125-160	✓
9. South Carolina First Steps should comply with state law and ensure performance evaluations are published by the due date.	E		✓
10. South Carolina First Steps should ensure that it uses valid and reliable methods in determining the effectiveness of its programs.	E		✓
11. The S.C. First Steps Board of Trustees should define the terms "evidence-based programs" and "promising programs" and promulgate these terms in regulation.	P	IN DRAFT BILL Section 59-152-25	
12. The S.C. First Steps should develop a list of approved evidence-based and promising programs.	P	IN DRAFT BILL Section 59-152-25	
13. S.C. First Steps should limit state funding to a board-approved list of evidence-based and promising programs.	P	IN DRAFT BILL Section 59-152-100	
14. The General Assembly should amend state law to limit the number of state-funded First Steps programs.	P	IN DRAFT BILL Section 59-152-100	
15. S.C. First Steps should allocate staff resources sufficient to provide the technical assistance required by S.C. Code 49-152-50(3)	P		✓
GOVERNANCE BY THE STATE BOARD OF TRUSTEES			
16. The S.C. First Steps Board of Trustees should refrain from taking action in the absence of a quorum.	G		✓
17. The S.C. First Steps Board of Trustees should enforce its attendance policy.	G		✓
18. The General Assembly should amend SC Code 63-11-1720 (A) to allow the Governor and Superintendent	G		✓

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of Education to designate a person to attend and vote at First Steps board meetings.			
19. If the General Assembly does not amend SC Code 63-11-1720 (A) to allow the Governor and Superintendent of Education to have designees to the board, the Governor and Superintendent of Education should attend the meetings.	G		✓
20. The Governor should and members of the General Assembly should appoint trustees when their terms expire, as required by state law.	G		✓
21. The General Assembly should amend SC Code 1-5-40 to add First Steps to the list of boards and commissions that the Secretary of State monitors.	G		✓
22. The S.C. First Steps Board of Trustees should develop, implement, and document an annual performance evaluation process for the S.C. First Steps director.	G		
23. The SC First Steps Board of Trustees executive committee should discuss and act only on items requiring attention prior to the next board meeting.	G		
24. The Executive committee of the S.C. First Steps board should comply with Section VI(j)(2) of the bylaws, and distribute minutes if its meetings to the entire board. The S.C. First Steps board should add a report from the executive committee to the committee reports section of each board meeting agenda.	A		✓
25. The General Assembly should amend S.C. Code 63-11-1720(A)(1-3) to ensure that geographic areas not close to urban centers are represented on the S.C. First Steps Board of Trustees.	G	IN DRAFT BILL Section 63-11-1720	
26. The General Assembly should re-examine SC Code 63-11-1720 which establishes the number of trustees on the S.C. First Steps board.	G		
STATE OFFICE ADMINISTRATION			
27. The South Carolina Department of Education should work with the South Carolina Office of the Comptroller General and South Carolina First Steps to accurately and consistently report the expenditures and revenues of South Carolina First Steps.	A		✓
28. South Carolina First Steps should comply with South Carolina Regulation 19-712.02.B and ensure that all leave taken by all South Carolina First Steps employees is recorded accurately within the state employee database.	A		✓
29. S.C. First Steps should contract with an independent cost accountant to determine an adequate and not excessive overhead cost rate for county partnerships. The issues addressed in this independent review should include but not be limited to: A definition of overhead costs; Overhead costs incurred by county partnerships versus those incurred by outsourced service providers; Overhead costs versus indirect programming costs; A methodology for calculating overhead cost rates, including the funding sources on which the rates are based.	A		✓
30. The South Carolina General Assembly should amend Section 59-152-70(B) of the S.C. Code of Laws to establish an adequate but not excessive cost rate limit for county partnerships based on a review by an independent cost accountant.	A		✓
31. When implementing Section 59-152-70(B) of the S.C. Code of Laws regarding county partnership overhead costs, S.C. First Steps should promulgate regulations with a clear methodology for calculating	A		✓

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county partnership overhead cost rates.			
FUNDING FORMULA			
32.	South Carolina First Steps should promulgate its funding formula in state regulation.	F	✓
33.	The funding formula and any subsequent changes should be included in the South Carolina First Steps Board of Trustees' bylaws to provide a clear guide to current and future trustees on how to allocate funds.	F	✓
34.	South Carolina First Steps Board of Trustees should accurately record the funding formula and any subsequent changes within the full state board minutes for the relevant meeting.	F	✓
35.	South Carolina First Steps should include a funding formula page on its website which outlines full formula details (including factors, weights, and sources of data) posts announcements regarding upcoming changes to the formula, and provides direction for public input.	F	✓
36.	In the annual state appropriation for South Carolina First Steps, the South Carolina General Assembly should specify the allocation to county partnerships.	F	Completed. Staff request of Governor and Office of the State Budget, summer 2012. ✓
37.	South Carolina First Steps Board of Trustees should not make allocations outside the funding formula.	F	✓
38.	The South Carolina First Steps Board of Trustees should add a resource availability factor to the funding formula to account for the resource disparity between counties.	F	✓
39.	The South Carolina General Assembly should amend South Carolina Code 59-152-90(E) to delete the requirement that South Carolina First Steps should take into consideration the subjective factors as they relate to the funding process.	F	IN DRAFT BILL (Senate Amendment) Section 59-152-90
40.	South Carolina should implement internal controls to ensure partnership awards are accurate.	F	✓
41.	The South Carolina General Assembly should amend state law to define the age limit for children and their families eligible to receive S.C. First Steps funding according to months, rather than years.	P	IN DRAFT BILL 59-152-2559-152-25 and
ORGANIZATIONAL STRUCTURE			
42.	The General Assembly should amend all references to "county partnerships" to "local partnerships" in the S.C. Code of Laws.	G	IN DRAFT BILL 59-152-25 and throughout draft

KEY

D= data reporting (3)	P=programs (6)	A= administrative (6)	In place, action taken, or completed (20 or 48%)
E= evaluation (7)	G=governance (11)	F= funding (9)	
40% governance or administrative 38% programs/evaluation/data reporting 21% funding			
12 (29%) recommendations we have already put in the draft reauthorization bill			