

John de la Howe School

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Response to Proviso 7.5 of the FY 2014-15 Appropriations Act

October 1, 2014

Executive Summary

In fall 2013, the State Inspector General conducted a review of John de la Howe School (JDLHS), which resulted in a number of observations and recommendations issued in a report on January 24, 2014. Since then, the agency has undergone significant leadership changes. This report is provided in response to legislative Proviso 7.5 of the FY 2014-2015 state appropriations act.

In view of the leadership changes, some documents and historical information have not been available; however, this report reflects the best knowledge of the current leadership. At the same time, the interval since release of the Inspector General's report has allowed the new leadership time to investigate the issues raised and to respond with a broader and more knowledgeable perspective and understanding.

As one of the smallest state agencies, JDLHS was hit hard by the Great Recession and the major budget cuts that had to be implemented in 2009-2011. Staffing had to be reduced, and many long-time state employees chose to take early retirement. Funding was no longer available to support the client-tracking system that helped generate reports. Plans to address deferred maintenance needs and to rehab student cottages had to be scrapped, adversely affecting the ability to provide adequate, licensed housing. At the same time, licensing standards for residential care staffing ratios were increased, further restricting the number of youth that could be served in residential care, which adversely impacted the cost-per-student-per-day analysis.

A new, detailed strategic plan is now in place along with client tracking systems and other management monitoring tools to enable the agency to provide more complete information in its reports.

While examining the past, it has been the focus of the current leadership to look *forward* in implementing positive changes to benefit all entities concerned – keeping the needs of the children and families served in the forefront of thoughts, actions and plans.

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Agency Mission and Service to At-Risk Youth

The John de la Howe School provides a range of services for at-risk children and youth ages 12-18 who are facing emotional, behavioral or academic challenges. Residential care is provided in a rural farm setting in McCormick County, located on the western border of South Carolina near the Savannah River. The average length of stay is 9 to 18 months, during which children and their families focus on new approaches to positive interaction, relationship building and attention to academic learning.

The mission of the agency is that: *The John de la Howe School provides a safe haven for children to heal, grow and make lasting changes through counseling, education, and a culture of care and personal development.*

New Leadership and New Strategic Plan in Place

Since February, the agency has been under new leadership. Four new board members have been appointed since February, and all seven board members are new to the agency since June 2013. All board members actively participate in meetings and are fully committed to moving the agency forward in a positive direction. Dr. Danny Webb is the new agency head with nearly seven years of agency experience in congregate care for at-risk youth and 30 years of state service. A part-time consulting superintendent has also been hired to meet accreditation requirements. A new principal began in April and serves both middle school and high school, as approved by the State Board of Education. A profile of the leadership team is attached.

In early March, the new leadership quickly sought technical assistance from the Office of Federal and State Accountability of the Department of Education and the Budget Division of the State Budget and Control Board. The assistance and guidance provided have been very helpful in addressing any deficiencies and in implementing positive changes.

As part of the selection process for a new permanent agency head, the Board included representatives from local education agencies, state agencies, and the alumni leadership and staff in interviewing candidates. Board members were involved in the application review process and applicant interviews, and the full Board unanimously approved the decision to name Dr. Webb to the role of agency head/superintendent/president with chief executive officer duties.

In June the Board approved a series of education policies required to meet accreditation standards, and a four-month extension was received from the Board of Education to allow time for the new leadership to conduct a strategic planning process and prepare a five-year school plan.

Pursuant to Proviso 7.5, at its July 9 meeting the State Board of Education confirmed the four-month appointment of a temporary chief operating officer to provide guidance and technical assistance to the Board of Trustees and senior management. Ms. Meka Childs, a former deputy superintendent of education, has been on campus approximately two days a week, consulting with Dr. Webb, reviewing staffing and procedures, interviewing staff, providing assistance in developing school planning documents, attending board meetings, and connecting with resources within the Department of Education for technical assistance.

In August and September, the agency hosted stakeholder planning meetings involving more than 20 representatives of other state agencies, local schools, parents, and alumni and community representatives. The Board of Trustees held a strategic planning workshop on August 15 and on September 15 approved the submission of extensive strategic planning documents to the Department of Education, the Annual Accountability Report to the Executive Budget Office, and the budget request to the General Assembly for FY 2015-2016. The agency is currently focused on implementing the new strategic plan.

Profile of Children and Families Served

Founded in 1797, JDLHS is the oldest residential child care facility in the state of South Carolina. Since its inception, the mission of JDLHS has changed as the organization has transformed into a state agency that embraces a commitment to prepare the at-risk children and youth it serves to be fully reintegrated into their homes and communities and to make positive contributions to their families, communities, and society as a whole.

JDLHS is a Level II congregate care facility licensed by the SC Department of Social Services (DSS), DHEC and the State Fire Marshall. It operates the L.S. Brice School for grades 6-10 and interacts with the Department of Education on education and accreditation requirements. The agency also collaborates with McCormick and Abbeville County School Districts, DSS, the Department of Mental Health, Department of Juvenile Justice, courts and solicitors, and school districts statewide.

JDLHS serves children and youth with moderate emotional and behavioral challenges. Nearly 95% of current requests for placement come directly from parents or guardians, with the remainder coming as placements by state child welfare agencies. The target population within the continuum of services to children in need are students in grades 6-12 who have been or are near being failed or expelled from middle, high, or alternative schools. Children served come from throughout the state of South Carolina.

The agency strives to keep abreast of best practices in children's congregate care and treatment, education and staff development. Memberships are maintained and staff and board members participate in trainings with the American Association of Children's Residential Centers, Palmetto Association for Children and Families, and South Carolina School Boards Association.

Many of the students served by John de la Howe School fit the academic description of "over-age and under-credited." At least 66% entered placement with one or more diagnoses from the Diagnostic and Statistical Manual of Mental Disorders, 5th Edition (DSM-5). Approximately 55% of students in placement have documented trauma such as death of a family member or friend, family separation, and/or emotional, physical, and sexual abuse; 65% are prescribed some form of psychotropic drug; 18% have known issues of physical or sexual abuse and/or neglect; and 7% have been expelled from their local school districts as a result of inappropriate behaviors in the school setting. Serving children with special needs such as these, JDLHS is the only school in the state that accepts students who have been expelled from their home schools.

While the agency has a mandated tuition requirement, at least 65% of families served are unable to pay more than the minimum rate on a sliding scale according to net income. For families living at or below the poverty line, even the minimum is a challenge. The Inspector General noted in January 2014, "The most important distinction [of JDLHS is] service to direct placements—regular citizens with children having out of control behaviors and really have no other viable economic option." The 2014 Kids Count *Data Book* shows South Carolina remains at 45th in the nation in child well-being, with 288,000 children living in poverty.

Studies indicate the black-white income gap is nearly 40% greater today than it was in 1967 and that black students are three times as likely to be suspended or expelled from school, setting them up for educational failure. Approximately 62% of students served at JDLHS are African-American – 68% boys and 32% girls.

As a state special school, JDLHS provides a welcoming and supportive environment for students of all racial and ethnic backgrounds and offers an array of 24-hour therapeutic and residential care to serve the children who reside on its campus. The L. S. Brice School provides educational services for at-risk youth in grades 6-10. L.S. Brice School also serves as Abbeville County's Alternative School through the JDLHS Day Program. JDLHS residential youth who are in their junior or senior years attend McCormick High School. Academic performance data for students attending McCormick High are reported by the McCormick School District.

The agency seeks to ensure that young people who arrive at JDLH who could well be on a trajectory that includes prison or a life of dependency on government's social welfare safety net leave the agency working towards life and workforce skills that will empower them to not just survive in South Carolina but to thrive. In a survey of parents conducted in December 2013, all parents responding indicated they would place their child at John de la Howe again, and several offered statements of praise for their children's experiences while at the school.

Therapeutic Approaches and Client Tracking

"Think:Kids," a cognitive-behavioral therapeutic intervention recommended for at-risk youth, was initiated in June 2011. Staff has been participating in training, and the agency has been broadening its implementation of this approach with both residential and day students. Training in the "Mindset" system of preventing and managing aggressive behavior is also being implemented, and staff is trained in Trauma Informed Care. The Wilderness Program uses a modified Campbell-Loughmiller approach, featuring daily group goal setting and problem resolution. These approaches, along with single-gender classes instituted in 2013-14, are experiencing positive changes in the behaviors of students and their abilities to cope with frustrations and challenges. They are also contributing to a climate of cohesive support and encouragement for youth throughout the campus.

In July 2013, the agency purchased BestNotes, a customer relationship management (CRM) software system. This system replaces the KIDS system that was initially funded by the Duke Endowment. When grant funding for KIDS was lost in 2009, it was deemed too costly to maintain and Excel documents were used as an interim step. This change affected the agency's ability to generate statistical data on students. Staff has now been entering student data for the

past year into the BestNotes system. While still in the building process, this system will better enable the agency to track student progress in their Individual Plans of Care.

Using both BestNotes and the PowerSchool data system is now enabling the agency to generate reports on student behavior and education progress during their stay at John de la Howe and their progress following their departure.

Response on Inspector General's Review

The current leadership of the agency has taken the Inspector General's report and suggestions very seriously and has implemented changes where appropriate. At the same time, it's important to note that the primary focus of the Inspector General's Office is to root out "fraud, waste and mismanagement" and that no fraud was found. Fiscal records indicate that funds are being spent appropriately and within budget, and there were no outright allegations of mismanagement. The timing of the Inspector General's arrival on campus in October 2013, coming just two weeks after he issued an e-blast to all state agency heads indicating that "fraud was rampant throughout state agencies," led to concerns within the agency and contributed to considerable negative publicity, which has been unfortunate.

State Inspector General Patrick Maley posted his report online on January 24, 2014, and included a link to the response provided by the agency at that time. (That link is no longer active.) In February, the agency experienced the resignations of the agency head and two long-time board members. New agency leaders were named in February. Since then, both the new board chair and the new agency head have been in communication with Mr. Maley, and a positive exchange of ideas and suggestions has occurred and additional IG recommendations have been implemented where appropriate.

In responding to specific recommendations and items raised in the report, it must be noted that the Inspector General's on-site review at the agency consisted of approximately 16 total hours spread over three days with two additional inspectors. A three-hour initial interview was conducted with the former agency head and former board chair present. Following a brief campus tour, the bulk of their time was spent in reviewing student records and interviewing each of the "direct reports" to the agency head as part of a "command climate survey." Reportedly little or no time was spent reviewing financial records, although board members have subsequently become aware that the State Comptroller General's Office has real-time electronic access to all state agencies' financial transactions.

While the agency has valued subsequent conversations with the Inspector General, a number of items in the report appear to stem from partial and sometimes inaccurate information. An earlier draft version of the IG's report provided an opportunity for the agency to submit some questions asking for clarification, and that resulted in a revised draft to which the agency had a brief time to respond.

Response to IG Recommendations

Six of the seven recommendations applying directly to JDLH have been implemented, as noted here and discussed more fully within the document.

Recommendation #1a – to establish a formalized strategic plan and mechanisms for monitoring results.

Response: This recommendation has been implemented.

Recommendation #1b – to review internal processes for metrics to assist in managing day-to-day operations.

Response: This recommendation has been implemented.

Recommendation #1c – to consider refining marketing approach through DOE to be alerted to potential students in need, particularly the 5300 dropouts in 1800 expelled students each year for direct follow-up.

Response: Subsequent to release of the report, the Inspector General has indicated that targeting these particular students would not be the most cost-effective use of agency resources. He has suggested working more closely with alternative education directors in local school districts who can help with identifying alternative education students who could be better served by the therapeutic resources available at JDLH. This recommendation is being implemented in addition to targeted outreach to courts and solicitors' offices to identify children and families who could best be served by JDLH. Staff members are also working with DSS, DJJ, and school district superintendents state wide to encourage referrals of appropriate students. The agency's Principal Jon Rose has been interacting with alternative education directors, and agency President Dr. Danny Webb is scheduled to make separate presentations to the Association of School Administrators (SCASA) statewide instructional leaders in November and to student services leaders in early December.

Recommendation #1d –for the board of Trustees to approve the annual strategic plan through the AAR process and ensure the executive staff build an accurate and relevant reporting mechanism to inform the board of objectives and measurable results.

Response: This recommendation has been implemented along with additional periodic reporting documents for board review.

Recommendation #1e – for the board of trustees to ensure that executive management responds to below average or at-risk ratings on the SC annual school report card.

Response: This recommendation has been implemented. In addition, growth ratings have improved and the agency is on track to receive "All Clear" accreditation status in the current year. Accreditation matters are discussed more fully below.

Recommendation #1f – for the Budget and Control Board to consider providing guidance to all commissions and boards of trustees . . . to monitor operational effectiveness and measure progress toward key organizational objectives and overall mission accomplishment.

Response: While this recommendation was outside of JDLH control, the Budget and Control Board (BCB) or the new Executive Budget Office did issue a new format for strategic planning and outcome measurement as part of the annual accountability report requirements for all state agencies. JDLH has followed the new AAR guidance, has developed a new, detailed strategic plan, and has filed its report for FY 2013-14 by the September 15 deadline.

Recommendation #1g – for legislative oversight to review its proviso allowing JDLH on-campus houses to be provided free or at a subsidized rate to employees given today’s current budgetary environment.

Response: Disallowing JDLH to retain the current housing proviso would constitute an inequitable treatment of the agency. This proviso was reauthorized in the FY 2014-15 appropriations act and was restated in Proviso 7.5 calling for this report. This is a long-standing proviso as to JDLHS as well as to the Wil Lou Gray School and the School for the Deaf and the Blind. It also applies to the Governor’s Schools for Arts and Humanities and Science and Mathematics and several other state agencies. In addition to the agency head, the JDLH Director of Student and Family Services is required to live on campus. Campus security continues to be an issue of concern, and having staff residing on campus and available to be called on in emergencies contributes toward the security of the campus.

Unlike the other special schools, JDLH is located in a fairly remote rural environment. It is challenging to recruit qualified staff to move to the area, and very little off-campus rental housing is available. The town of McCormick is located 8 miles away where there is a single grocery store, a small hardware store, two fast food places, a few small restaurants and virtually no after-hours sports, entertainment or social activities. The salaries available to state workers are lower than those provided by most traditional school districts. Offering free or reduced rate housing is often the only way to attract new, qualified employees.

In 2011, the former JDLH agency head had electric meters installed at campus residences used by staff, and they have been charged for the use of electricity since then.

The Inspector General’s report was issued twelve days after release of the Governor’s executive budget, which indicated a considerable increase in funding was available. Therefore, the use of this phrase is unclear: “given today’s current budgetary environment.” If there is a budgetary environment impacting long-standing housing arrangements, it should be applied equitably to all relevant agencies.

Following the recommendation of the Inspector General during a conversation in May 2014, the agency has entered into an agreement with the McCormick County Sheriff’s Office for a law enforcement officer to reside in campus housing free of charge. Having a marked sheriff’s car and deputy coming and going will provide a visible deterrent to criminal activity and quicker response time to assist with campus safety.

Recommendation #1h – for the Board of Trustees to consider options to repurpose or retool aspects of JDLH if it is unable to sustain near capacity, given its current expensive treatment model, a declining congregate care industry, and prior success of transitioning from its original orphanage and needy children model.

Response: The agency continues to be on track in making repairs to cottages, receiving DSS licensing approval of beds, and optimizing residential capacity commensurate with the authorized funds for the DSS-mandated staffing ratios for the supervision of youth with emotional and behavioral challenges. As part of the strategic planning process, the Board of Trustees has recently reviewed the mission of the agency and finds that it is appropriate and fills an important need in the continuum of care for at-risk youths in the state. The Board will continue to monitor residential capacity, occupancy, cost and effectiveness, as described further below.

The Board also notes that this recommendation appears to be inconsistent with the IG's observation in the executive summary, which states, "It is clear JDLH's mission is well situated on the continuum of child care spectrum serving a customer group in need – private citizen child placements generally from at risk youth with behavior problems impacting failure or expulsion from middle, high, or alternative schools. Its on-campus school, unique in South Carolina, distinguishes JDLH to serve at risk youth with typical behavior problems in the residential setting. . ."

Recommendation #2 – for the BCB to examine its AAR program. . . and then consider a statewide performance management system for executive branch agencies . . . linked to the statewide budget process.

Response: This recommendation is outside the purview of JDLH.

Addressing Other Items in IG Report

Issue: Cost Effectiveness, High Cost and Underutilization

The biggest concern raised in the Inspector General's report was the apparent high cost per student and underutilization of facilities – and that this concern dated back to the 2003 MAP Report (the Governor's Commission on Management, Accountability and Performance).

Cost per student is a function of residential occupancy. As the Inspector General noted, the agency and its facilities have relatively high fixed costs, and it is only by maximizing occupancy that the cost-per-student-per-day analysis can be reduced.

JDLH is a Level II facility serving children and adolescents with moderate emotional and behavioral needs. Approximately 85% of the 84-member staff is focused on direct care for youth, educational programs and facilities maintenance. The Inspector General has noted that the agency operates with an "administrative footprint that is slim for all the duties required."

The capacity for residential occupancy is dependent on two key factors:

1. Adequate facilities and beds that meet the licensing standards of the state Department of Social Services (DSS) for a Level II facility. Budgetary restrictions have limited the agency's ability to address deferred maintenance needs on several residential cottages in the past several years. At the same time, DSS changed its standards to require additional square footage around each child's bed, which reduces the number of children that can be housed in each cottage.
2. Adequate staffing that meets the licensing standards of DSS for a Level II facility. In recent years, DSS has added the requirement that night staff be awake, which has added to staffing requirements. The ratios of direct care and supervisory staff to Level II children have increased in recent years, with the current DSS-mandated staffing ratios as follows:

1:8 One Residential Counselor for every 8 students, 3 shifts per day
1:16 One Program Treatment Services Coordinator (PTSC), 1 shift per day

While not mandated by DSS, an additional Clinical Therapist is needed for each additional 20 youths, one shift per day.

DSS-mandated staffing ratios mean that the agency cannot add just one or two more children at a time without incurring considerable costs that directly impact the cost per student per day. As a result, the agency constantly monitors the availability of licensed beds, available staffing and related costs, and the numbers of children awaiting admission.

Using these staffing ratios, the cost to serve an additional set of 16 residential youths – the most cost efficient number – is \$545,225, as indicated in the chart below:

Costs for Staffing to Serve Each Additional Set of 16 Residential Students				
JDLH Job Title	Staffing Ratio	Total 24/7 Shift Needs	Salary	Total Salaries & Costs
Residential Counselor or Wilderness Counselor	2:16	6	\$ 26,139	\$ 156,834
Program Treatment Services Coordinator (PTSC)	1:16	1	36,817	36,817
Clinical Therapist	1:16	1	50,490	50,490
Total Positions for 16 Youth		8 FTE		\$ 244,141
Fringe @ 45.5%				111,084
Subtotal Salaries & Fringe				\$ 355,225
Related Food & Supplies				190,000
Total Cost Estimate				\$ 545,225

Utilization Impact on Cost Per Student. The Inspector General's report pointed to a direct correlation between maximizing residential occupancy and cost per student. Improving current facilities to meet DSS physical licensing standards to open more beds and increasing staffing authorizations to meet DSS-staffing ratios in supervising additional youths will close the gap between fixed costs and optimal occupancy.

The Inspector General's report noted that "an additional \$1,049,000 would allow for the enrollment of an additional 62 students to bring the school to capacity, lower the cost per student per day, and bring costs in line with industry."

Following receipt of the Board's January 9 response to his draft report, the Inspector General provided this information in an email on January 10: "We have even more evidence and appreciation that your school, based on a couple of recent interviews, is uniquely situated in the state for level II children inasmuch as other non-profit level II facilities who send their kids to public school 'struggle.'" He further stated, "*JDLH should not have to continually explain its relatively high costs compared to the local middle school given your mission.*"

Optimal Occupancy. Given the number of licensed beds scheduled to be available by December 2014 and the authorized budget to meet the staffing ratios required to serve residential students, the optimal occupancy for FY 2014-15 is an annual average of 72. This allows up to an 80% occupancy rate, which is typical across South Carolina for children's congregate care facilities, according to the Palmetto Association of Children and Families. As physical improvements are made and deferred maintenance for cottages can be addressed, the agency intends to increase occupancy to the fullest extent feasible commensurate with funding for required staffing ratios, which in turn will result in a lower cost per student per day. The agency strategic planning documents set goals for reaching optimal occupancy as follows:

	Actual		Projected			
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Residential Capacity (Mandated Staffing Ratios re Licensed Beds)	61	69	88	96	104	120
Average Annual Optimal Residential Occupancy	54	55	72	77	83	96

These projections are dependent, of course, on adequate funding to meet repair needs and mandated staffing ratios. The agency is prepared to move forward with all due haste to accommodate as many children as possible in the shortest time possible.

Rolling School Enrollment and Effect on Occupancy. Unlike traditional schools that start the new school year with full or near full enrollment, and unlike other congregate care facilities serving younger children at risk who may need placement year round, JDLHS serves adolescents who are not performing or fitting in well in traditional schools. As a result, JDLH school enrollment numbers for both residential and day students are relatively small at the beginning of each regular school term in August in relation to the numbers at the end of the school year in May. If the agency were starting each school year at full occupancy, there would be no room to accept youths experiencing difficulties in their home schools throughout the year – and parents would have few options available for help with their child.

Fall, spring and year-end total school enrollment numbers for the past two years are provided below:

Residential Students Served Aligned with School Enrollment				
	August	Spring	May	Total Served
FY 2013-2014	40	58	60	113*
FY 2012-2013	45	58	57	139*
* Excludes day students. See chart below.				

The Abbeville County School District has a memorandum of agreement with JDLH to serve as its alternative school program. This is a mutually beneficial arrangement as the funds received for the services help to support the agency's ongoing costs for educational and therapeutic services. The Abbeville School District also experiences increasing alternative education enrollment as the school year progresses, as last year's numbers indicate:

Abbeville Day Students Aligned with School Enrollment				
	August	Spring	May	Total Served
FY 2013-2014	4	23	19	23

Parent and Child Decisions Affecting Enrollment. The agency, as required by statute, has an established tuition schedule that uses a sliding scale depending on the family's net income.

Families have several factors to consider when placing their child at JDLH. In addition to cost, a thorough application form must be completed describing the child's background and medical history, medical and psychological records must be obtained (often requiring two or more months), interviews are conducted by the admissions officer and therapeutic staff to determine the appropriateness of the placement, and an Individual Plan of Care is established for each child in concert with the child and parents at the time of admission. Parents are also expected to participate in parenting classes, counseling sessions and parent-teacher meetings.

Placing a child outside the home is a difficult decision for most parents, and time and distance from home are additional factors to be considered. Talking about sending a child away to school is sometimes used as a coercive tactic to get children to "shape up" at home or at school. Sometimes times the child begs to stay at home. There are numerous opportunities during this two-month application process for parents to change their minds. Some parents also decide to withdraw their child after only a few months in residence on campus when they see improvements in their child's academic performance or their behavior during home visits, even though staff and the child's Individual Plan of Care recommend a longer stay. While the agency can be an influence in these decisions, the parent is the sole authority and has the final say.

Applications Received in 2013-2014. A total of 230 applications were received in the last fiscal year. Of those, 66 were placed, 86 were declined as inappropriate for placement, and 76 parents withdrew their applications.

Child Protection vs. "Heads and Beds" (Costs). The agency has been told by some officials its primary focus should be on "heads and beds." The care and protection of the state's most vulnerable children is a values question, and costs are only one factor in the analysis.

From the Inspector General's review of the number of student files, his report noted:

without question, these students had substantial behavior issues. The students, as well as their families, were in high levels of distress and despair. These students seemingly were on the edge of a downward life trajectory without help and intervention.

In a subsequent interview, he suggested that a way be found to waive tuition requirements to allow students to stay longer so that changes in their behavior can be reinforced over a longer period of time.

While many students are very bright, it has been the experience of agency staff in reviewing the histories of adolescents seeking admission that many have been having problems at home and school since kindergarten.

An important perspective raised by the recent legislative review of the Department of Social Services (DSS) should be considered here. The Senate DSS Oversight Subcommittee has been concerned about the high number of child deaths and the lack of frontline social worker involvement because of heavy caseloads (staffing ratios). Senators have called for DSS to find a way to obtain emergency funding for an additional 202 social workers to bring them on board in the immediate future. In all the DSS hearings, there has been no discussion of costs, cost per

child supervised or cost per caseload. These are values decisions that should be applied equitably across state agencies serving the state's most vulnerable children.

While adolescents may be at less risk of death in the home than small children, adolescents with emotional and behavioral challenges are at risk for lifelong damage on a number of dimensions: socially, psychologically, academically, spiritually, and economically. Families often feel overwhelmed in trying to cope with these youths, and with impoverished circumstances or more than one child in the home the family dynamics can be damaging to everyone within the family. JDLH provides a therapeutic intervention for both children and families, a safe haven for youths to heal, and new hope for brighter futures and self-sufficiency throughout adulthood.

During the past legislative session, senators asked JDLH representatives why additional funds were not requested to hire additional residential counselors so that additional students could be served. At the time the request was submitted, agency staff believed no additional funding would be forthcoming. The budget request for FY 2015-2016 includes a request for additional residential counselors and related required supervisors. The justification is included in discussion of the budget request, below.

There are two other areas for caution related to costs. One is to take any available youths – what has been referred to as “low hanging fruit” – just “to get the numbers up” to reduce the cost-per-student-per-day analysis. The other is that the Continuum of Care for Emotionally Disturbed Children occasionally seeks to place adolescents with much more severe diagnoses at JDLH because the agency's costs are cheaper than Level III providers serving children who have been diagnosed as *severely* emotionally disturbed.

While the agency does not believe that a rigid adherence to the Level II description is necessary, it does believe that it “cannot be all things to all people” and that there needs to be an appropriate fit between the child's specific needs, the agency's ability to meet those needs within its current resources, and how the child will fit within the current population and dynamics. Liability issues are at stake as well as cost factors and quality of care. These assessments are the responsibility of the admissions coordinator and treatment team.

Another caution is that in working with youth referrals from the courts the agency runs the risk of being held in contempt of court for failure to admit a student. The agency can be an appropriate fit for many youth in contact with the courts, but the referral should be to assess the appropriateness of placement.

Issue: Method of Calculating Cost Per Student

The IG report refers to a \$70,000 cost per student cited in the 2003 MAP report. In response to agency questions as to the basis of that number, the IG responded on December 14, 2013, that it was “an actual quote from the MAP report.” This begs the question, since the basis for the calculation is not presented in that report and may not, at this point, be available to anyone. If the numbers are wrong, unavailable and not comparable, they lose their meaning. There is also no consideration of cost-of-living or other adjustments to aid in comparing “real dollars” between 2003 and numbers cited for 2013.

The initial draft report on JDLH developed by the IG contained this statement: “Ten years later, the cost/student has risen to \$91,000 annually and the questions about JDLH’s costs are still circulating.” In response to questions on the basis for that figure, the response was “\$4,941,552 (operational expenses) divided by 54 (average overnight student).” There is no reference to \$91,000 in the final report. Instead, the report issued on January 24 referred to \$87,000. It states that total expenditures were \$5,409,961, operational expenditures were \$4,733,810, and the cost per day was \$240.

The agency was instructed by the House Ways and Means Subcommittee on Special Schools in 2013 on how to calculate the average annual cost per student. That formula allowed for including the total number of students served throughout the year. Total expenditures for FY 2012-2013 were \$4,103,392, resulting in an average annual cost per student of \$32,567. That number divided by 54 yields an annual total of \$76,489 or \$210 per day.

The chart showing a three-year summary using the formula provided by the House Ways and Means Subcommittee on Special Schools was provided in the Board’s January 9 response to the IG’s draft and is provided in the appendix. The current JDLH leadership has requested technical assistance from leadership of the Budget and Control Board, or new Executive Budget Office, to identify a formula that can be uniformly applied by all entities seeking to determine JDLH’s cost-per-student-per-day.

As noted elsewhere, using an average annual residential occupancy fails to recognize the total numbers of students served throughout the year and costs involved with the flux of students into and out of residential care. These calculations also failed to appreciate that the funds are used to provide an array of services mandated and regulated by several agencies, including onsite school, nursing services and medication dispensary, counseling and treatment services for children and families, parenting training, assistance with transportation, and reunification support for families. Because JDLH serves a special population, its school costs are higher in order to provide smaller class sizes, more intensive personal attention to promote student success, and enrichment opportunities to engage challenged learners in positive learning experiences.

The agency has been continuing to address the issue of costs and the matter of repairing the cottages as quickly as possible in order to reach maximum optimal capacity. This has been in the forefront of deliberations and concerns for a number of years. Legislative authorizations and state procurement delays have taken much more time than anticipated. Governor Haley’s observation on the procurement process at a Budget and Control Board meeting is echoed by JDLH: “If it takes one and a half to two and a half years, construction costs have gone up. The procurement process is so rigid and *so slow*.”

Issue: Comparison with Similar Congregate Care Provider Costs

The Inspector General’s comparisons with rates paid to contract providers of congregate care do not factor in the educational costs JDLH has for operating an on-campus school, which is rightly recognized as being unique in the state. The IG report failed to note that the congregate care industry is concerned that the rates dictated by DSS and DJJ do not adequately cover all the costs of services they are mandated to provide, according to the Palmetto Association of Children and

Families. See also “DSS Report to the Governor’s Regulatory Review Task Force,” May 15, 2013.

In offering cost comparisons, the IG report cites information provided by an “expert” yet fails to identify who that expert is or his affiliation:

Perhaps the best evidence developed came from a subject matter expert on the South Carolina congregate care industry. This expert advised that DSS and DJJ Level II contract prices \$97 (DSS) and \$110 (DJJ), respectively, are discounted rates rather than a full cost allocation. The rationale was the South Carolina non-profit congregate care industry raises \$28 million a year through fund raising which allows it to offset a portion of its costs. This expert was familiar with JDLH and advised a \$240 per student day cost seemed excessive and \$150 would be more reasonable for Level II services.

Because of the information provided in this statement, the basis for this “expert’s” opinion on the cost per day is likely comparing the services of another state agency that has a substantially different set of educational requirements to follow, involving considerably lower costs than that required of JDLH, which provides diploma-track educational services.

Comparing JDLH costs with those of nonprofit organizations that are dependent on private fundraising to provide discounted rates to government agencies is a flawed perspective. The state of South Carolina has a statutory obligation to provide free public education to its children.

Unlike private congregate care providers, JDLH costs include providing public education, and those costs continue to increase as educational requirements increase. As noted elsewhere, the rates paid by DSS and DJJ to nongovernmental congregate care providers do not cover the costs incurred to provide all the mandated services. JDLH should not be put in the position of having to justify its costs in relation to nonprofit organizations operating in that type of environment.

Issue: Diminished Role for Congregate Care Facilities

The IG posits that residential care is a declining industry based on “federal law and best practices dictating that children in foster care be placed in the least restrictive and most family-like environments that are capable of meeting the child’s needs. States must make ‘reasonable efforts’ to keep children and youth with their families, thereby reducing the risk of harm to those children. . . This has . . . resulted in excess capacity of congregate care facilities in South Carolina.”

The Palmetto Association of Children and Families reports that many congregate care facilities in the state have closed in recent years “due to the policies of the former DSS director, which resulted in a lack of referrals.” As a result, most of the children’s homes now have waiting lists.

According to the SC Citizen Review Panel for Child Protection Services:

The Department of Social Services has placed considerable emphasis in the past few years on Community Based Prevention Services (CBPS); however, this emphasis has been the subject of considerable criticism as youth have been at risk of continued maltreatment or abuse. Computer generated risk assessments have been used to refer “cases” to community based

services for monitoring, and many children have reportedly “fallen through the cracks” of the services intended to prevent repeated abuse or neglect.

Source: SC Citizen Review Panel, 2013, <http://sccrp.sc.edu/>

On October 2, 2013, the Citizen Review Panel submitted a letter to the former DSS director suggesting that state policy in this regard may be inconsistent with federal policy:

The SC Citizen Review Panel recommends that any change to policy that defines abuse and neglect in any manner inconsistent with SC Section 63-7-20 be developed in conjunction with the Children’s Bureau of the Administration for Children and Families under the U.S. Department of Health and Human Services, and brought before the SC Legislature for enactment, in particular the delineation between low and moderate risk vs. substantial risk.

Source: SC Citizen Review Panel, 2013, <http://sccrp.sc.edu/annual-reports>

New State Residential High Schools. South Carolina has three historical state residential schools: John de la Howe, the School for the Deaf and the Blind, and the Wil Lou Gray Opportunity School. Since 1980, two new public residential high schools have been established, with building costs in the millions of dollars.

The Governor's School for Science and Mathematics was founded in 1988 in Hartsville. Since 2003 it has operated in a new, state-of-the-art building capable of housing 300 students. Two new educational wings were added in 2010. The Governor's School for the Arts and Humanities, located in Spartanburg, has been serving artistically talented high school students from throughout the state since 1980.

While acknowledging the value of these two newest residential schools, which work with “the best and the brightest” and likely the most economically advantaged students in the state, the JDLH Board of Trustees is distressed at the value judgments placed on the types of youths served by JDLHS and the neglected conditions of its facilities. Aware that poverty, truancy, behavior problems and family dysfunction are not attractive or endearing qualities, the Board and staff are dedicated to the work of the agency and committed to the success of these children and families. These are value judgments that need to be acknowledged.

Each state special school has its place in serving exceptional children and youth in South Carolina. Echoing Governor Haley’s March 2014 statement praising House passage of her proposed legislation on education reform: “We want every child to know what success feels like.” Likewise, the Board and staff of the John de la Howe School want every child it serves to feel respected and to know what success feels like.

Issue: JDLH 2012-2013 Annual Accountability Report (AAR)

Shortcomings in the AAR can be attributed to several factors. As one of the smallest state agencies, JDLH was hit hard by the Great Recession and the major budget cuts that had to be implemented in 2009-2011. Staffing had to be reduced, and many long-time state employees with institutional knowledge chose to take early retirement. Funding was no longer available to

support the client-tracking system that helped generate reports, and the staff position that had taken the lead on preparing AARs had been eliminated – a choice that was made in favor of retaining direct care services to children.

While critical of the agency's FY 2012-13 AAR, the Inspector General's report clearly states: "JDLH should not be singled out in its material deficiencies in its AAR inasmuch as many involved in the state budget process reviewing AARs see this pattern, in varying degrees, all too frequently." Of course, the agency has been singled out in a way that has been unfortunate.

As indicated above, the agency purchased the BestNotes software system in July 2013. Additional staff members have been trained in BestNotes and the PowerSchool data system, both of which will enable the agency to generate more complete reports on student behavior and educational progress.

Issue: "Mission Drift"

The meaning of "mission drift" remains unclear. From the agency's perspective, it has been focused on providing congregate care and educational services to adolescents with moderate emotional and behavioral challenges.

In June 2013, the agency adopted this mission statement:

The John de la Howe School provides a safe haven for children to heal, grow and make lasting changes through counseling, education, and a culture of care and personal development.

Prior to that, the agency used the mission statement set forth in the enabling legislation, which reads:

To implement programs which shall meet the needs of children from all of South Carolina who for some urgent reason need to be separated from their home or community.

The agency continues to serve children and adolescents who have experienced major life traumas, including abuse, neglect, inappropriate sexual contact, and loss of family members and friends. Because the agency also works with the parents to improve family relationships to facilitate the youths' eventual return home and to their local schools, it is important to avoid language in the mission statement that would tend to stigmatize either the children or the parents. The current mission statement addresses these needs in a positive light, and the new agency head is stressing that every staff member be able to describe the mission statement.

Issue: Lack of Rigorous Management Process to Measure Progress

The recent strategic planning process has put a number of performance measurements in place. The planning process involved a coordinated effort between the new AAR process and that required by the Department of Education calling for stakeholder involvement. As a result, there are more than 50 pages of unduplicated detailed goals, objectives, time frames, and performance measurements the agency will be tracking and reporting to the Executive Budget Office and the

Department of Education. Using the BestNotes system along with the Department of Education's PowerSchool data system will enable the agency to generate reports on student behavior and educational progress. Climate surveys for staff, parents and youth will be conducted three times a year. The agency uses a master calendar to monitor due dates for important reports and Board meetings.

Executive Staff Review. An Executive Council meets weekly with the President and consists of the staff leaders of the primary functional components of the agency, including the L.S. Brice School, the Wilderness Program, Clinical Therapy, Student and Family Services, Residential Care, Human Resources, Finance and Business Operations, and Advancement and Development. This allows for review and discussion of issues and priorities throughout the agency.

Board Review and Oversight. The Board routinely reviews agency reports and approves required documents. The Board follows guidelines set forth in its Governance Code, which, among other things, requires Board approval of the hiring recommendations for executive leadership staff and submission of budget requests. The Board is also responsible for approving annual evaluation measures for the agency head that reflect the strategic plan, conducting semi-annual reviews of the agency head, and submitting related documents to the State Agency Head Salary Commission on a timely basis. The Board will be participating in a review of its governance documents in consultation with the SC School Boards Association during the coming year.

As recommended by the Inspector General, the agency is also implementing a report system on critical operational measures for regular and periodic review by the executive team and the Board of Trustees. New comparative financial reports for Board review have also been instituted. These efforts will alert Board and staff leaders to issues that need to be addressed.

Issue: Accreditation Matters

The Inspector General's report indicated deficiencies in accreditation reporting, noting that JDLH had been placed on probationary status by the State Board of Education (SBE) as a result of being deficient in meeting the minimum accreditation standards for three or more years and that the Superintendent was not properly certified. The school was rated "School at Risk" for the school year ending 2013 for both absolute and growth ratings. The report states that JDLH did not take follow-up actions on lack of adequate yearly progress scores as required in the Code of Laws, section 59-18-1500 to 1600.

In early March 2014, the new agency leadership sought and began receiving technical assistance from the Department of Education's Office of Federal and State Accountability and the Budget Division of the Budget and Control Board. Corrective actions have been taken, and all accreditation and reporting matters are being addressed and are on track for an All Clear status in the current year.

Superintendent's Certificate. Following the former agency head's resignation in February, the Board sought to post an announcement to fill the position. SDE staff intervened and advised that the agency head must have a superintendent's certificate or it would be at risk of losing its accreditation status. Through that discussion, it was learned that a stricter application of SDE

laws and regulations was now being applied to JDLHS than in the past, as part of SDE's involvement with the accreditation process. This included considering this state agency with "state special school" status to be a "school district."

In the 217-year history of the agency, no superintendent had ever been certified. The qualifications for the superintendent's position focused more on management of a sizable congregate care facility for children where the educational component is only one facet of the agency's operations. It had long been the agency's understanding that so long as the principal was certified, the superintendent did not need to be.

In talking with the superintendent of the School for the Deaf and the Blind, it was learned that she had finally gone ahead and obtained the superintendent's certificate to comply with this new requirement. Her career path had been more of an educational track, which made that a feasible option. In talking with SDE staff, it was learned that the superintendent of the Wil Lou Gray Opportunity School did not need to be certified because its GED program was considered "adult education" and the usual accreditation standards did not apply.

In addition to being a hybrid agency, JDLH is not a "school district" in the traditional sense. The agency derives its funding from the Legislature and has no authority to benefit from local property taxes or seek bond referenda. Members of the Board of Trustees are appointed by the Governor and not elected by the local community, as with traditional school districts. Its employees are state employees, unlike those of school districts. The agency head is required to live on campus because it is a 24/7 residential child facility.

A compounding factor is that the salary range for the agency head/superintendent is established by the State Agency Head Salary Commission and is currently set at \$79,070 – considerably lower than salaries offered by traditional school districts. For example, the interim superintendent of the Abbeville School District earned \$120,000 and the new superintendent of the McCormick School District earns \$140,000. Since the JDLH agency head's salary is not competitive with that of superintendents of traditional school districts, adding a superintendent certification requirement would be unduly burdensome in attracting viable candidates. The skill sets needed for the JDLH agency head are considerably different from those in the traditional educational setting, particularly in terms of governmental relations and funding, regulatory compliance, and operation of a working farm on 1,200 acres.

Following further consideration, the chief of the Office of Federal and State Accountability provided written authorization for the agency to engage a part-time consulting superintendent with an SC certificate to meet the Department of Education requirements. The agency conducted a dual search process, and Dr. Danny Webb was selected as the agency head to meet the statutory superintendent requirement. Dr. James Franklin was hired as the part-time consulting superintendent. While this is an additional, unexpected expense for the agency, the combined salaries of these two individuals are lower than the cost for a single certified superintendent in a traditional school district, and Dr. Franklin's assistance is helpful in addressing academic and accreditation matters.

Conflict of Laws. Strictly applying every Education code or regulation to JDLHS creates challenges because it is a state special school and not a traditional school district. It is apparent that the Legislature had not intended every provision of the code to apply to JDLHS as a state special school. The technical assistance benefits of Section 59-18-1500 to 1600, for example, have not been made available to JDLH. Serving children with special emotional and behavioral challenges for only 9 to 18 months, many of whom have not succeeded in traditional schools, calls for special consideration and evaluation. It may be appropriate to develop memoranda of understanding or to explore the feasibility legislative action to make adjustments.

Accreditation Status Improving. The agency has two elements that receive extensive accreditation review and annual rating. One is for the “District,” which is the JDLH agency. The second is the “School,” for the agency’s sole school, referred to as the L.S. Brice School, which covers middle and high school grades 6-10. (Residential students in grades 11-12 attend McCormick High School, which includes those students in its annual reporting figures.)

The “District” ratings and plans of traditional school districts typically include districtwide needs and composite student test scores of several schools. For JDLH, with only one school, the “District” plan and student test scores are duplicative of the School plan and test scores. The lack of a certificated superintendent was reflected in the previous “District” accreditation rating. This issue has now been corrected, and board members have been participating in the new-member training required of board members within their first year of service. (The Education Code refers to the first year of being “elected.” JDLH Board members are appointed by the Governor, not elected – another inconsistency in the legislation and its application. To comply with this requirement, the agency incurred the cost to become an affiliate member of the SC School Boards Association, the only entity providing the required training this past year.)

Student test scores previously entered into the PowerSchool data system were apparently incomplete, which affected the school’s standing. New Principal Jonathan Rose began work on April 7 and has worked closely with SDE staff in providing all the accreditation desk audit documents required by the June 30 deadline. Seven staff members participated in PowerSchool training to ensure that data entry is being completed on a timely basis throughout the year.

A new principal began in April and serves both middle school and high school, as approved by the Department of Education. In June the Board approved a series of education policies required to meet accreditation standards, and a four-month extension was received from the Department of Education to allow time for the new leadership to conduct a strategic planning process and prepare a five-year school plan.

The agency is on track to reach an All Clear accreditation status this year, as noted in the chart below:

Accreditation Status				
Audit Type	2014-2015 Projected	2013-2014 Actual	2012-2013 Actual	Comments on Current Rating
Agency/ "District"	All Clear	Probation	Probation	Consulting superintendent hired at end of June 2014, so not in place during the entire year. SBE granted waiver to submit strategic plan by 9/30/14.
School	All Clear	Warned	Advised	Teachers are certified but some were not certified for the specific courses they teach. Principal Jon Rose submitted detailed response to Department of Education.

Annual School Report Card. As noted in the IG's report, the rating for the school year ending 2013 was School at Risk for adequacy of yearly progress for "all students meeting the statewide targets" in the areas of English/Language Arts, Mathematics and for attendance or graduation rate. While the absolute rating remained School At Risk for the school year ending 2014, the agency is pleased to report the school growth rating was Excellent. For the school year ending 2015, the school is expected to have an absolute rating of Below Average (which is an improvement) and a growth rating of Good (because an excellent growth rating each year is likely unattainable).

Issue: Radio Advertising and Community Awareness

The Inspector General's report said that "JDLH's marketing techniques, such as radio advertisements, appeared to be wide net approaches" rather than targeted to specific types of students.

In response, the agency does no radio advertising or other mass media advertising. This item appeared to be related to student recruitment, and in subsequent discussions with the Inspector General on this item, he recalled that a new staff member had mentioned a possible consideration of radio advertising. That idea never gained traction because the kinds of students served have special needs that would be lost on mass advertising.

There is merit, however, in promoting community awareness of the John de la Howe School statewide. That is done through special events, press releases on notable activities and accomplishments, presentations to service clubs and community organizations, and occasional appearances on television or radio talk shows. In addition, the agency is soon to release a newly designed website that will provide expanded information about agency services. The website will address both student recruitment and community awareness needs as well as provide an online student application process.

Issue: External Oversight

The discussion of Oversight in the Inspector General's report is particularly troubling. Based on some information in the report and through subsequent conversations, it appears that a considerable amount of time was spent by the IG in conversations with representatives of other agencies gathering opinions about where the agency or its services should fall. Such inquiry would seem more appropriate for the General Assembly than an Inspector General.

Responding to specific statements on oversight:

Report: *"The SIG also questions JDLH as a standalone agency operating in independent orbit from other state agencies, which could provide a synergistic benefit."*

Response: The lack of referrals from DSS for the past three years is a direct result of that agency's First Families initiative, and the "Wildly Important Goals" emphasized by the previous director. Those goals and their consequences have been the subject of an extended inquiry over the past several months by the Senate DSS Oversight Subcommittee.

Report: *"... when a student fails or is expelled, the family is provided a document with 30 potential options, which JDLH is but one. How much better positioned would JDLH be if it was within DOE? The 2003 MAP Commission made this recommendation. Even though DOE has ideas for this at-risk population, to include creating a 'turnaround' school district and virtual schools, it does not provide direct management oversight of an education facility which may complicate an oversight role."*

Response: The primary reason that school districts do not refer students directly to JDLHS is that the law requires funding to follow the student, creating a financial disincentive for districts to make such referrals. This would not change if JDLHS were managed by the Department of Education.

It is only since June 11, 2014, that this particular reference to the 2003 MAP Commission gained meaning. On June 11, the agency head and board chair were advised during a joint teleconference with the COO of the Department of Education that he (the COO) served as Chief of Staff to Governor Sanford in 2003 and "was behind the MAP recommendations relating to JDLH."

The 2003 MAP report recommended 1) merging students into the Wil Lou Gray School in West Columbia if utilization of JDLH could not be substantially increased; 2) passing legislation to designate JDLHS as the alternative sentencing option for Family Courts for non-violent offenders for first priority admission; 3) turning all wilderness programs for at-risk youths in the state over to DJJ (JDLH operates a wilderness program); and turning management of the timber resources on the JDLH property over to the State Forestry Commission for the *benefit of the state General Fund*. On March 9, 2004, the *Augusta Chronicle* reported that Governor Sanford planned to close the school, send students to the Wil Lou Gray School and use the campus as a future Department of Juvenile Justice facility.

These 2003 MAP recommendations were in direct contravention to the will of Dr. John de la Howe, as memorialized in the enabling legislation and upheld by the state Supreme Court, stating that resources of the property are to be used for the care of the children and the development of the school. In addition, sending JDLH diploma-track students to Wil Lou Gray's GED-track program would be inappropriate as to age and type of students served.

When those recommendations were made, the alumni, the McCormick County Council and the local McCormick community were very vocal and visible in their opposition to such efforts. It is disheartening and dismaying that efforts to wrest control of the agency are continuing under various guises of concern – and without any direct discussion with the agency.

In 2003 the *Augusta Chronicle* reported that the JDLH board chairman (a prominent McCormick area businessman) said he was frustrated with the way the commission targeted John de la Howe School. “‘I’m all about limiting the duplication of services, but I’m not in favor of not being invited to the table to talk about the issues,’ he said. ‘The people in Columbia may think it’s just another school, but it’s not.’” The article went on to say, “The commission estimates that John de la Howe spends \$70,000 per student each year; however, [the board chairman] said the amount is closer to \$40,000. He said he did not know how the commission calculated the figures.”

Source: (http://chronicle.augusta.com/stories/2003/11/05/met_388698.shtml)

Governor Sanford issued an executive order on October 17, 2003, to remove the board chairman from serving on the JDLH board.

A March 13, 2004, article in the Greenwood *Index-Journal* provides essential historical insight into the motivations behind the cost and utilization arguments to close JDLH:

John de la Howe School served 123 children last year, but the cost per student varies from source to source. The school estimates a per-student cost of \$46,000, but the state’s House Ways and Means Committee estimated a much higher cost of \$70,000.

McCormick County Council and the school’s board of directors recently met with a representative from the Governor’s Office, where this discrepancy was discussed.

“It was evident after about an hour’s discussion that the Governor’s Office and legislature had been operating with the wrong information,” said McCormick County Administrator Dale Surrett.

“The most telling part of that discussion is that they want to make it into a DJJ facility, and as of this week they had no idea what that was going to cost.”

The governor’s budget reserves \$12,000 for each child currently enrolled at John de la Howe to assist in the cost of moving them to another facility.

Surrett said the school is the third largest employer in the county, with 135 total job slots available. Because of recent budget cuts, though, only 99 of those positions are currently filled.

Losing these jobs, he said, would be the equivalent of counties like Charleston or Richland losing between 4,000 and 6,000 jobs.

The school also spends about \$800,000 a year on goods and services in the county, he said. [Rep. Anne] Parks said a cooperative effort between the Department of Social Services, the

Department of Health and Human Services and DJJ could keep the school open next year and reduce per-student costs.

Source: <http://www.angelfire.com/journal/indexjournal/04March13.html>

Sadly, this approach to discredit and dismantle the agency appears to be a continuing effort. The Governor's Executive Budget released in January 2013 for FY 2014-15 proposed removing a total of \$764,207 from the JDLH budget. This number was comprised of \$346,473 in Education Department Status Offender funds and \$417,734 in Education Improvement Act (EIA) funds.

From watching a videotaped session of the House Ways and Means Committee on February 19, 2014, more was learned about those funds. In response to questions, the chairman of the House Subcommittee on Special Schools announced that "those funds are still there in case we need to provide private placement for the kids through subsequent provisos." He went on to say, "We probably need to have some additional hearings with the school, but we have the money set aside in the budget."

This rationale was never provided to the agency, and no request for additional hearings was made. It is noted that dividing \$764,207 by an estimated average residential enrollment of 60 results in \$12,737 per student – very close to the "\$12,000 per student" set aside in the 2004 budget "to assist in the cost of moving them to another facility."

There was no discussion of any urgency or harm to the children in JDLH's care that would suggest a need for placement elsewhere nor any discussion about the impact of such changes on the children and families served.

The enabling legislation for JDLHS vests decision making in a Board of Trustees. Individuals and agencies with ideas and suggestions are encouraged to bring those directly to the agency head or Board of Trustees. Elected officials should include the agency in discussions affecting its future.

The earlier draft version of the IG's report suggested the Board of Trustees was failing in its oversight capacity, despite the fact that IG had not asked to see any board documents during his review. In response to the questions submitted, the IG admitted he'd been unaware that only two Board members out of the nine statutory positions were serving until the confirmation of four new appointees on June 20, 2013 – only three months prior to his on-campus review and only three months after their first board meeting. Competent oversight of the agency is dependent on the appointment by the Governor and confirmation by the Senate of qualified state residents, hopefully with diverse backgrounds and skill sets, who are willing to commit to an extended period of voluntary service.

The timing and circumstances surrounding the Inspector General's arrival on campus have raised questions by Board members and staff about the motivations behind such inquiry.

Report: *"If JDLH adjusted its congregate care mission toward foster care or a juvenile justice area, a similar argument could be made for DSS or DJJ [to have oversight]. . . Having JDLH as*

an independent operation when it could benefit from referrals, independent and objective oversight, and synergism with three potential sister agencies, could be a missed opportunity for adding efficiency and effectiveness."

Response as to DJJ: Given that 95% of the youths served by JDLH come to the agency as private referrals by their parents, the Board of Trustees adopted a position statement on March 13, 2014, against placing the agency under DJJ, ostensibly for one year, as recommended in the Governor's executive budget released in January and as proposed to the General Assembly on March 12 in a proposed joint resolution by the House Subcommittee on Special Schools (H. 4920). That resolution died in the Senate Education Committee. A copy of the Board's position is provided in the attachments.

Response as to DSS: The congregate care mission of JDLH has long been aligned with and predates the Department of Social Services: to provide protective residential care for needy children. The agency has always sought and worked toward collaborative referrals and relationships with its sister agencies and local education agencies (LEAs). A few short years ago, the agency's annual budget request was reviewed by a House Ways and Means subcommittee that focused on social services. For unknown reasons, it was changed more recently to the House Ways and Means Committee on Special Schools.

On July 14, 2014, the agency sent a letter to Senator Tom Young, chair of the DSS Oversight Subcommittee, describing that the referrals promised by the former DSS director failed to materialize, and stating that it should be a matter of public policy that DSS utilize JDLH as a valuable state resource for youth ages 12 to 18.

JDLH does not need to be under the supervision of the Department of Education, DSS or DJJ in order to receive appropriate referrals of youth with special needs from these entities. It should be a given that all state agencies work together to maximize resources and promote the best interests of the children of South Carolina. If needed, more formal memoranda of understanding can be developed to facilitate referrals.

Previous Board response. As noted in the Board's January 9, 2014, response to the Inspector General, the agency remains poised to engage in meaningful dialogue on the practicality of becoming embedded within a larger agency where economies of scale would possibly accrue to the benefit the children and families. That response noted that "As recently as November 3, 2010, [the former agency head] appeared before the State Agency Restructuring Study Committee, a joint committee of the General Assembly, to address questions of possible consolidation and/or realignment of the agency within systems of care with outcomes yielding no conclusion that such a consolidation realignment would yield cost savings or improved quality of services for the state."

Current Board response as to external oversight in general. The current Board of Trustees believes that any decisions affecting oversight, transfer, control, or other matters affecting the agency's autonomy are questions that deserve consideration in the proper public forums.

The Inspector General's report was issued on January 24, and an earlier draft had been provided to the agency and others prior to that. The Governor's executive budget was released on January 13, recommending that JDLHS be placed under the supervision of the Department of Juvenile Justice (DJJ). This intention was never communicated to the agency.

On January 28, the first of the year's legislative hearings on the agency's budget request for FY 2014-15 was held before the House Ways and Means Subcommittee on Special Schools. At the conclusion of the hearing, Board representatives of the agency and staff present were told that no funding would be authorized for the coming year unless the Board negotiated the resignation of its agency head.

An emergencyboard meeting was called within a few days, and Board members felt they were being held over a barrel. On one hand, they felt a rush to judgment was being made. They were further troubled by the fact that the first African-American agency head in its 218-year history was apparently being blamed for some issues predating his arrival that he was in the process of addressing and making progress on. On the other hand, they recognized their stewardship roles in "keeping the ship afloat" to continue serving children and youth with special needs. Board members also considered that spending funds for legal guidance and intervention would have a negative impact on the cost-per-student analysis the agency was being called to account for. Agencies with larger budgets have regular and easy access to legal assistance. In contrast, expenditures toward legal services by JDHL are viewed by the Board as directly impacting the agency's ability to provide direct services to children.

When faced with cost decisions, the current Board routinely invokes for comparison the cost of a residential counselor, which has a starting salary of \$26,139 a year. Hiring additional residential counselors will allow the agency to care for additional youths – an agency priority – which in turn will reduce the cost per student.

Independent Agency Status. The Board of Trustees and staff leadership are confident in its capabilities of managing the agency and addressing concerns. Several factors need to be considered on the potential of assigning external oversight for JDLHS:

1. The JDLHS enabling legislation of 1918 (Education Code Section 59-49-10) states that the agency must operate under a Board of Trustees. This act memorializes the will of Dr. John de la Howe in granting his plantation to the state for the care and schooling of needy children. The language of the act signifies that the will has already been upheld by the South Carolina Supreme Court. The act further states that the resources of the property shall be used for the care of the children and the development of the school. The Board of Trustees has a stewardship responsibility to ensure that these fundamental provisions are honored and upheld.
2. The state Education Code contains provisions for technical assistance to be made available to schools that are deemed at risk or are in other ways failing to meet educational requirements. The current Board of Trustees is dismayed that daggers rather than outreach and assistance have been used to address any of the agency's shortcomings on education and accreditation matters.

3. The John de la Howe School has been in existence for 218 years and operating under the 1918 enabling legislation for 96 years. While it is one of the smallest state agencies, the Board of Trustees believes the agency and its leadership staff deserve recognition and respect in lines of communication throughout state government. Success of one is the success of all. The Board encourages referrals of youth in need of care by other agencies as a matter of policy to maximize utilization of the agency as a state resource. The Board encourages a cooperative and collaborative spirit across agencies in offering guidance, assistance, and support for the agency's mission in serving some of the state's most vulnerable children and youth.
4. The Board of Trustees is interested in maximizing use of the facilities and serving as many vulnerable children as possible with quality services and facilities. Regardless of who has ultimate authority over the agency, health and safety issues relating to crumbling infrastructure will need to be addressed and will involve costs. While the facilities do not need to be state-of-the-art in this rural setting, they do need to meet basic modern standards of acceptability.
5. The appointment of a COO by the state Board of Education for four months comes at a cost to the state of \$32,000. That would buy 1.23 FTE of a residential counselor for an entire year and allow care for additional children.
6. Representatives of the Department of Education have reported on several occasions that the Department does not operate schools. If efforts were made to place JDLHS under the Department of Education, it would seem that other state special schools, such as the Wil Lou Gray School and the School for the Deaf and the Blind should be similarly situated, however, this is in no way advocated.
7. Efforts to place the school under the Department of Juvenile Justice should fail for a number of reasons.
 - Nearly 95% of youth served by JDLHS come to the agency as private placements by their parents, who would not wish to have any involvement with DJJ.
 - The primary reason stated for placing the agency under DJJ is because the director of DJJ reports directly to the Governor. Considering the totality of events over the past year and efforts since 2003 to close the school or change its nature, the Board of Trustees sees this effort as not justified as the agency moves forward under entirely new leadership.
 - The nonprofit McCormick Children's Home, a 12-bed Level I facility located on the JDLH campus and providing temporary shelter to children from throughout the state, would be adversely impacted by DJJ control. It would need to find an alternate site and build a new facility at a cost of over \$1 million, which it does not have.

- McCormick County, one of the poorest counties in the state, already has a maximum security prison. County officials and residents agree the county does not need another criminal justice facility. It needs greater diversity in its economic development efforts, and it does not want to lose the 218-year cultural heritage of the John de la Howe School.
 - Other states have sought to place criminal justice facilities in poorer communities as “economic development projects.” The population of McCormick County is only 10,000 people, 49.7% of whom are African American. JDLH has long-standing support and involvement from the McCormick community. Approximately 62% of students served at JDLHS are African-American.
8. The agency is under new and competent leadership. It has taken corrective action on many issues and is implementing a new strategic plan addressing cost-effective, quality services for vulnerable youth and families. The Board is confident the agency is capable of operating well without external oversight.

Part of the cultural heritage and pride of JDLH to the local community is that the school is listed on the National Register of Historic Places (<http://www.delahowe.k12.sc.us/html/ourhistory.htm>). Dr. de la Howe's tomb is on the property along with a cemetery honoring others who've provided faithful service to the school over the years. The property is also the site of a treasured Old Growth Forest. It has long been recognized as an “old-growth stand of oak-pine forest protected against fire and timbering since 1797. It is one of the best remaining examples of this forest type in the Piedmont.” It was added to the list of Registered National Natural Landmarks in 1976 (<http://www.nature.nps.gov/nnl/site.cfm?Site=JOHO-SC>).

Issue: Predicate for the Review

The Inspector General's report “was predicated on information received from concerned stakeholders, community partners, and close associates with intimate knowledge of [JDLHS'] day-to-day operations, alleging mission drift and operational mismanagement.” This statement contains several issues for concern.

Unspecified and Anonymous Complaints. Agency requests for more specific information failed to yield any helpful information on which it could base a response. Separately, the Board became aware of a letter written to a legislator in a position of authority which had apparently been circulated among other elected officials and reportedly used as a bargaining chip for political favors. To this day, that letter has never officially come to the agency for investigation or response. It was also learned that the writer of this letter had been found guilty of federal criminal charges relating to the misrepresentation of corporate financial records, calling into question the veracity of claims. Further, that person's association with politically connected individuals and their subsequent actions call into question the motivations behind the letter.

While the Inspector General has a “hotline” and anyone can provide information to elected officials. Using that information in such a way as to bring harm to the reputation of a state agency, its employees, and voluntary Board members is patently unfair to the accused. Such practice is dangerously similar to a constitutionally prohibited bill of attainder, defined by

Wikipedia as “an act of a legislature declaring a person or group of persons guilty of some crime and punishing them without privilege of a judicial trial.”

“Community Concern.” In terms of “community partners,” the agency has yet to identify anyone from the local McCormick County community who has provided a negative report or anyone the Inspector General has contacted in connection with his inquiries about the agency. Reports in the weekly *McCormick Messenger* about the agency have been highly positive. In contrast, the *Index-Journal* in Greenwood, 25 miles north, has run a series of damning articles and opinion pieces about the agency, the “turmoil that continues,” and the “wayward youth” it serves. It also carried a banner headline announcing the Inspector General’s review prior to the time the report was made public, despite the IG’s protocols calling for reviews to be confidential until released by the IG’s office.

As elected officials are well aware, anyone can post negative, inaccurate and inflammatory information on websites and hide behind anonymity. It is seldom fruitful to respond to such items. When a certain newspaper lobbs accusations without foundation or balanced reporting, it unfortunately leads too many people who read such inaccuracies to tend to believe them “because they read it in the paper.”

President Dr. Danny Webb and the Board Chair welcome questions, concerns, information and suggestions that will help the agency in its mission of serving vulnerable youth.

Items Not Addressed in the Inspector General’s Report

Issue: No Fraud or Waste Alleged

The predicate for the IG’s review as stated in the report was concerns “alleging mission drift and operational mismanagement.” The earlier draft stated “alleging mission drift, operational mismanagement, and financial waste.” There is no statement, however, in the final report that no financial waste was found, just as there was no statement that no fraud was involved. There was no finding of gross mismanagement or malfeasance.

Issue: Command Climate Survey

The Inspector General devoted time on campus to conducting a “command climate survey” by interviewing each of the “direct reports” to the agency head (an estimated five staff members). His written report is silent on that. Notes taken during the IG’s November 2013 telephone conference with the Board of Trustees reflect that the former agency head was “very collaborative” and “it’s obvious that staff are very committed.”

The former Board Chair/Trustee who had been involved with the 2013 performance review for the previous agency head was reportedly contacted by the IG and questioned about the review process, yet the report is silent on that as well.

Issue: Improvements Underway

The earlier draft report raised concerns about board oversight, but inspectors did not ask to review any board documents. Reviewers would have seen ongoing attention to deferred maintenance needs and the impact on the number of residential students who could be accommodated. Implementing the Think:Kids approach and the BestNotes software were previously cited, and others are provided here.

The Inspector General's report cites ten position papers published by the American Association of Children's Residential Centers (AACRC) recognizing the need for the industry to use evidence-based practices and management through outcome measures as well as internal process measures. The former agency head included these ten position papers in the materials provided to the four new Board members attending their first board meeting and orientation session on July 18, 2013. The staff of the agency had recently developed a new mission statement and a framework for strategic planning with the guidance of a consultant. The next board meeting on September 26, 2013, was a special called meeting to approve submission of the budget request for FY 2014-15. Also provided for review was the agency head's performance planning document addressing implementation and monitoring of the strategic plan. Unfortunately, the Inspector General's review followed within two weeks, and much of the Board's focus necessarily turned to that process.

Issue: Dilapidated Buildings

It is surprising that the Inspector General's report did not comment on the condition of the physical facilities. While the agency has endeavored to make repairs each year to the extent possible within authorized budget amounts, many of the buildings suggest to employees and visitors that the state has turned its back on these youth with special needs, their families and the staff who work there. On July 1, 2014, OSHA inspectors were on campus in response to a complaint made by a staff member about the physical conditions in which he or she had to work. While some of the findings were minor and were taken care of that day, the agency is awaiting a further report and possible citation on some items.

It is obvious to anyone visiting the campus that many of the interior wall surfaces are crumbling and the metal dividers in the cafeteria restrooms are encrusted with rust. More glaring are the badly stained and missing ceiling tiles in the cafeteria resulting from a leaking roof that is seriously in need of replacement. When it rains, large buckets and bins are placed around the floor to collect water. Not only is this a hazardous situation for students and staff, the cafeteria has continued to be available to outside organizations for annual events, and it has been a source of great embarrassment and concern to have the public see and comment on how much the facilities have deteriorated. Following months of effort, approval has finally been received for an engineering firm to develop specs and begin seeking bids, estimated to begin in January, to replace this roof, which likely will not be completed until June 2015.

For decades if not longer, the Alumni Association has held its biennial Reunion in the auditorium of the Administration Building. The alumni leadership is considerably distressed that they will not be able to hold their October 11, 2014, reunion in the auditorium because of the water damage done. This roof, too, needs to be replaced. The engineering firm is beginning its needs assessment for replacing this roof, and the current fund balance will be used to replace the roof

once the lengthy procurement process is completed. This is a matter of some urgency to minimize further risk to furnishings, equipment and staff in this building. This Administration Building has not been renovated since 1971 (43 years).

Positive Comments from Inspector General

While responding to recommendations and findings in the Inspector General's report, it is important to highlight the many positive statements made by the IG regarding his review. During his exit conference with the agency leadership team on October 29, 2013, he stated that the agency seems to be functioning at full capacity with its current resources. In his report issued January 24, 2014, he stated:

...the SIG's file reviews fully support these children are in distress needing help.

The SIG is confident JDLH has the potential for a bright future.

Personal observation during SIG field work revealed a passionate staff dedicated to helping children.

...JDLH seems to be exactly where it should be within the continuum of services to children: private placement of students with moderate behavior problems who have or are near being failed or expelled from middle, high, or alternative schools.

JDLH deploys a multi-dimensional approach to improve at-risk youth behaviors.

JDLH establishes an individual development plan with each student upon arrival.

JDLH [uses a] robust whole family approach.

There is no doubt JDLH leadership is committed to help at-risk students every day.

The IG responded to the Board's January 9, 2014, response to his draft report with these comments:

I can assure you the report will be clear that given your mission much closer to capacity, your costs are in line with industry. We have even more evidence and appreciation that your school, based on a couple of recent interviews, is uniquely situated in the state for level II children inasmuch as other non-profit level II facilities who send their kids to public school "struggle". The most important distinction not well articulated by the IG was your service to direct placements—regular citizens with children having out of control behaviors and really have no other viable economic option.

"JDLH should not have to continually explain its relatively high costs compared to the local middle school given your mission."

Strong Support for John de la Howe

John de la Howe has strong support from the Board of Trustees, the Alumni Association, the Foundation, the local McCormick area community and its legislative delegation.

Strong Board Support

Four new board members have been appointed since February, and all seven board members are new to the agency since June 2013. All board members actively participate in meetings and are fully committed to moving the agency forward in a positive direction. While required to meet at least four times a year, the Board has held 12 meetings since the beginning of January. Board meetings were held on January 9, January 30, February 7 and 21, March 13, April 10, May 21, June 12, June 19, July 15, August 15, and September 11. The next regular meeting is scheduled for December 11.

In June the agency joined the South Carolina School Boards Association, and five board members participated in its new board member orientation program in Columbia on June 14. Two other board members plan to participate in the next orientation session on February 19, 2015.

In addition to making positive contributions during board meetings, participating in legislative hearings, and reviewing applications for the agency head position, board members have been involved in other ways. Three board members participated in the May 30 meeting with staff and representatives of the USC Community Psychology program on evidence-based practices. One board member featured the agency on her weekly television broadcast, which has since re-aired several times. One board member participated in an eight-week ladies' leadership and etiquette program for students provided by a resident of the nearby Savannah Lakes Village community. Another board member offered to bring some noted athletes to campus to interact with students and assisted with a student tour of Clemson University. Two board members living in the Columbia area offered to help in covering legislative meetings, and another offered to help with the September 6 Dairy Festival as a community interaction program with students.

Strong Alumni and Foundation Support

An active Alumni Association holds biennial reunions on campus and hosts annual fundraisers to benefit the school and students. Activities include two annual alumni golf tournaments, a keepsake party each holiday season, and a youth fishing derby. Their contributions help to support the equine program on campus.

The JDLHS Foundation also raises funds to make improvements and support enrichment activities for students. An annual fund appeal yields generous donations, events are held to benefit youth programs, and grant applications are submitted for special projects, such as the recent Self Foundation grant for arts and leadership development activities.

Strong Community Support

The John de la Howe School enjoys considerable support from numerous community volunteers and local agencies, including:

McCormick County Council
McCormick Town Mayor
McCormick Children's Home
McCormick County School District
Abbeville County School District
Clemson Extension, McCormick
McCormick County Sheriff's Dept.
McCormick Police Department
McCormick Co. Chamber of Commerce
Habitat for Humanity
McCormick Arts Council (MACK)
McCormick Rotary Club

McCormick Lions Club
Lutheran Church by the Lake
Good Shepherd Catholic Church
Willington on the Way
Savannah Lakes Village
The Self Family Foundation, Greenwood
Dept. of Mental Health, McCormick
DSS, McCormick and Abbeville
Dept. of Juvenile Justice, Edgefield
Cornerstone
McCormick Correctional Institution
McCormick Historical Society

Representatives from many of these organizations participated as stakeholders in the August and September strategic planning meetings, including the Alumni Association, the JDLHS Foundation, and Representative Anne Parks, who personally attended.

No one from these "community" organizations is aware of any contact or inquiry from the Inspector General's Office.

Strong Delegation Support

Local legislative representatives have expressed strong support for the mission and services of the John de la Howe School. The agency is in House District 12, represented by Anne Parks, and in Senate District 10, represented by Floyd Nicholson. The agency was formerly in the district of Sen. Shane Massey, who continues to represent contiguous portions of McCormick County where many of the agency's supporters reside. Each of these representatives understands the value of John de la Howe to students and families in need and to the local community, and each has spoken on behalf of the agency in a number of arenas.

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Review of Current Administrative Practices

Proviso 7.5 calls for a review of the agency's current administrative practices and responses and cost comparisons on some specific items. Those items are addressed in this section.

Technical Assistance

The agency reached out to Brenda Hart, Deputy Director of the Budget Division of the Budget and Control Board, in March 2014 for guidance on the accountability report process and a review of administrative practices. Since July, Ms. Hart has been serving as the interim director of the Executive Budget Office. She has consulted with the agency head and board chair on several occasions, and she and Mr. Chris Wells of her office participated in the July 15, 2014, meeting of the Board of Trustees. Ms. Hart, Mr. Wells and Ms. Allyn Powell also visited the campus on August 27, and have been available to the agency's Director of Finance and Business Operations throughout this review period. Their suggestions and guidance have been very helpful, and the agency looks forward to working with them in the coming months.

Cost Comparisons and Other Decision Factors

Cost, efficiency, accessibility, responsiveness, reliability, confidentiality, safety and security are ALL factors to be considered. The most compelling factor for the John de la Howe School is to keep the children it serves safe, secure and healthy, as mandated by law and DSS licensing requirements. Criminal background checks and tests for tuberculosis are required of all employees who work on campus. Such protections could not be assured if the use of outside contractors were to be expanded. Few skilled technicians are available in the McCormick area, and the rural campus location makes accessibility to qualified skilled technicians difficult, costly and often untimely.

Interviews were conducted with five program managers in the surrounding area for their experiences with outsourcing in the areas of technology and facilities management. Summary responses are indicated below, and more detailed interview notes are included in the attachments.

The agency also works under strict mandates for client confidentiality. Using outside contractors to provide information technology services would provide opportunities to access student records, health records, personnel records and financial records. Management would not have the technical skills to know when a breach had been made. The Board approved implementing statewide data security policies in January 2014, as required by the state.

With respect to administrative transactions, a more detailed time study would need to be conducted over a several month period before comparisons could be drawn between transactional costs performed by JDLH versus the Budget and Control Board or Executive Budget Office. The agency will continue to work with Ms. Hart for technical assistance. The Inspector General has remarked, however, that the agency operates with an "administrative footprint that is slim for all the duties required."

Technology Management. The proviso requests that the costs of technology management be compared with securing a private company to provide the services.

In December 2013 four representatives of the Division of State Information Technology (DSIT) visited the JDLH campus to complete an assessment of agency needs. In February 2014, DSIT staff communicated findings and indicated DSIT would be able to provide some IT services at a cost of \$78,944 the first year but that JDLH would need to bear the cost of installing a separate network connection to DSIT plus engage a desktop support person because of the distance involved. Additionally, DSIT was not able to provide a contract for PC hardware or software quotes, and backups and disaster recovery could not be provided because of the distance. (Additional details of this assessment are provided in the appendix under Interviews on Outsourcing Opportunities.)

Having a reliable, in-house staff member who can be trusted with confidential information is deemed essential for the smooth and expeditious operation of John de la Howe. A part-time IT technician was not adequate or timely in meeting the agency's constant technology needs, and priorities for his time were to his primary employer. Staff in the L.S. Brice School were hampered in entering required data in the Department of Education's PowerSchool system because an IT person was not available. In August the agency hired a full-time IT technician with experience working for another state agency handling confidential health information. The \$45,000 salary for this position is a demonstrable cost savings over the DSIT analysis. This individual has discovered many computers with seriously outdated software and a number of computers with viruses that have plagued the agency's network with frequent shutdowns, blocking vital communications.

In a conversation in March with the superintendent of the School for the Deaf and the Blind, it was confirmed that consideration had been given to sharing IT resources with JDLH and the Wil Lou Gray School. Because of the daily needs for IT support and the time and distance between each agency, it was not deemed feasible to pursue that further.

Facilities Management. The proviso requests that the costs of facilities management be compared with securing a private company to provide the services.

It is the agency's considered opinion that most facilities management services are best performed by state employees who have undergone a thorough background screening and understand the mission of the agency and the special kinds of children and youth it serves. While supervised, youths are not confined, and maintenance workers are likely to encounter students throughout the day as they go about their tasks. The property covers 1,200 acres, and knowledge of the property is essential in addressing service needs.

In addition to landscape maintenance, staff maintenance workers are currently qualified to handle minor plumbing, electrical, painting, and some air conditioning needs. Contracting companies with skilled workers are typically not available in McCormick, and the closest such services are located in Greenwood or Augusta, which involves a 45-50 minute drive. These distances add to costs and contribute to delays in responding to needs. As noted in the interviews in the appendix, one area where other local organizations found it feasible to hire local outside workers was for seasonal landscape maintenance during the summer months. While this can be explored, the primary concern about safety for students on campus should take precedence over cost.

John de la Howe School Budget Request for FY 2015-2016

The budget request for FY 2015-2016 includes a maintenance of effort based on the state appropriation authorized for the past three years plus a request for these required items:

- Salary, benefits and equipment needed for one School Resource Officer, a law enforcement officer to be hired via memorandum of agreement with McCormick County Sheriff's Office and to serve on campus.
- Salaries and benefits for additional direct care staff to provide 24-hour care to youths with emotional and behavioral challenges and to meet DSS licensing requirements:
 - 1 complement of 8 staff required to serve an additional 16 residential students and meet DSS-mandated ratios:
 - 1:8 One Residential Counselor for every 8 students, 3 shifts per day
 - 1:16 One Program Treatment Services Coordinator (PTSC), 1 shift per day
 - 1:20 One Clinical Therapist for each additional 20 youths, 1 shift per day

The agency is prepared to serve a total of 32 more children in FY 2015-16 if funding is authorized, so an option is provided for one or two sets of additional staff.

- Salaries and benefits for additional certified teachers and a part-time school administrator required for school accreditation:
 - Part-time consulting superintendent
 - Spanish teacher
 - Integrated Business Applications teacher
 - Agricultural teacher
 - Performing Arts teacher (drama, chorus, or music)
- Operating funds needed to:
 - Adjust the Pay Plan Allocation, to comply with State Budget Office guidelines.
 - Adjust the Health Plan Appropriation, to comply with State Budget Office guidelines.
 - Cover the shortfall in operating funds over the past three years that can no longer be covered by carryover funds.

As shown in the budget chart summary below, these additional requested items total \$1,398,566. With a continuing state appropriation of \$4,446,948 authorized for the current year, the total request is \$5,845,514. No recurring funds are requested.

John de la Howe Budget Summary

Operating Budget History		<u>State Appropriation</u>
FY 2012-2013		\$ 4,251,243
FY 2013-2014		\$ 4,413,329
FY 2014-2015		\$ 4,446,948
FY 2015-2016 Operating Request		
Maintenance of Effort (FY 2014-2015 funded services)		\$ 4,446,948
Additional Funds Requested		
Salaries & Fringe for New Staff		
School Resource Officer + Equipment	59,000	
3 Residential Counselors - current population	125,000	
8 staff + food/supplies to serve 16 additional residential students*	355,225	
.25 FTE consulting superintendent with certificate	25,000	
4 teachers in new subjects @ \$ 50,000.00	<u>291,000</u>	
Subtotal		\$ 855,225
Operating Funds		
Pay Plan Allocation	68,158	
Adjust Health Plan Appropriation	34,902	
Align operating expense with 3-year history	250,281	
Food & Supplies for 16 additional residential students*	<u>190,000</u>	
Subtotal		\$ 543,341
New Request		<u>\$ 1,398,566</u>
Total Request		\$ 5,845,514

* An additional set of 8 staff plus food/supplies for \$545,225 could serve 16 additional students, for a total of 32 additional students.

South Carolina Children's Code Compliance

As a child serving agency, the entire budget of John de la Howe School addresses the requirements of the "South Carolina Children's Code." The agency serves children and adolescents with emotional, behavioral and academic challenges. Out-of-home placement services provided in the agency's congregate care program are offered in conjunction with students attending the on-campus L.S. Brice School for grades 6-10 and attending McCormick High School for grades 11-12. Family strengthening and reunification are the focus of the agency's therapeutic programs, and home visits during school breaks and other times during the year are part of the family strengthening process. South Carolina's children are required to attend school, and the agency complies with the requirements of the Department of Education in its school programs.

Conclusion

The John de la Howe School is a hybrid entity – a congregate care center with a school providing an array of services for children and adolescents with emotional, behavioral and academic challenges. The agency responds to many external requirements, but it has always been about serving children who find themselves in special circumstances needing care, protection and attention. This is what draws individuals to work there, and their dedication is palpable.

The Board of Trustees is confident the agency is capable of continuing to operate as an independent state agency, as established in the enabling legislation. The agency has completed an extensive strategic planning process and is focused on increasing capacity through making needed physical improvements as quickly as possible within the funding available and to increasing enrollment through targeted recruitment to optimize residential occupancy commensurate with the funding available.

From the changes implemented since February, all employees, and board members realize and embrace the learning environment required of everyone – not just students. The last few months have presented a steep learning curve to accommodate new ways of tracking and monitoring data and outcomes. The staff is highly qualified, competent, and equal to the task. A more inclusive approach to problem-solving is in place, and therapeutic approaches to serving students are being more broadly integrated across the spectrum of services.

The Board and staff wish to *partner* with the resources of South Carolina state government to honor the cultural heritage of the John de la Howe School, acknowledge the economic and social importance of this agency to the surrounding community, to support the children and families with some of the greatest needs in the state, and help make this agency achieve the bright future suggested in the Inspector General's report.

Quarterly reports will be provided during the coming year, but no report can tell the story better than a personal tour of John de la Howe School. Elected officials and interested individuals are encouraged to visit. Contact information is as follows:

Dr. Danny R. Webb, President
John de la Howe School
192 Gettys Road
McCormick, SC 29835
864.391.0414
danny.webb@delahowe.k12.sc.us

The Board and leadership staff welcome questions, visits, and constructive suggestions. Most welcome of all is support for the agency's service to at-risk children and families as an important and valued resource in South Carolina.

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Agency Leadership Team Profiles

Executive Staff Member Profiles

Dr. Danny R. Webb was named to the position of Agency Head/President/Superintendent on June 19, 2014. Serving as Interim President since February 21, 2014, he had been serving on campus for over six years, first as Admissions Coordinator and then as Director of Student and Family Services. A summary of his background includes:

Doctor of Theology (Th.D), Andersonville Theological Seminary.
Masters of Public Administration (M.P.A.), Troy State University.
Bachelor of Science (Cum Laude), Morris College, Sumter, SC.
Graduate of the Governors' Excel Leadership Institute for managers in South Carolina government.
Adjunct Professor of Humanities, Voorhees College, 8/2002-1/2013.
Pastor, Old Mount Zion Baptist Church, Ninety Six, SC, 11/2008 to present.
Director of Corporate Relations/Enrollment, Southern Wesleyan University, 11/2005-4/2007.
Executive Officer (Lieutenant, Retired), SCState Highway Patrol, 9/1986-5/2005.

Dr. James Franklin accepted the position of Consulting Superintendent as the end of June. A summary of his background includes:

Doctorate in Educational Administration, South Carolina State University.
Master's in Education/Science, South Carolina State University.
Bachelor's in Agricultural Education/Science, South Carolina State University.
Graduate of McCormick High School.

Interim Superintendent, McCormick County School District, 3/2013-6/2013.
Assistant Superintendent, McDuffie County Schools, 7/2000-6/2010 (retired).
Principal, Rowland Middle School, Rowland, NC, 7/1998-6/2000.
Principal, Red Springs High School, Red Springs, NC, 7/1996-6/1998.
Principal, Pate Gardner Elementary School, Gibson, NC, 7/1995-6/1996.
Superintendent, Williamsburg County Schools, Kingstree, SC, 8/1991-6/1995.
Assistant Superintendent, Darlington County Schools, Darlington, SC, 7/1988-7/1991.

Consultant to SC Department of Education as a programmatic auditor of Title I programs.
First five years of teaching were focused in agriculture and industrial arts.
Five years' experience in social work.

Founder and president of the Mims Foundation in McCormick that awards scholarships annually to deserving students.

Jonathan (Jon) Rose became the Education Director and Principal of the L.S. Brice School on campus in April. He has been an educator for 16 years, including eight years as a special education LD resource teacher and the past five as an assistant principal. He also has eight years of experience as a high school football coach, having been both head coach and assistant coach

at schools in the Charleston area. The new principal holds a B.S. degree in elementary education from Geneva College in Beaver Falls, PA, and a master's degree in secondary school administration from Charleston Southern University. He holds the high school principal certificate and is highly qualified to lead the students attending L.S. Brice School.

Viola Robinson Faust is the Director of Finance and Business Operations. As the chief financial officer, she brings 28 years of experience in managing state financial operations, and she is a 2001 graduate of the SC Certified Public Manager Program (CPM). This certification program is a nationally accredited management development program for public managers in South Carolina. She also holds an MBA degree with a concentration in accounting. She was previously VP of Fiscal Affairs for Denmark Technical College, she has worked for BCB with the SCEIS system, and she served with the Department of Labor, Licensing and Regulations.

Dan Branyon is the Director of Advancement & Development. He retired following 25 years as the Director of Public Relations with Self Regional Healthcare in Greenwood. He is also President of the Board of Directors of Piedmont Rural Telephone Cooperative and has substantial experience in agency management. He manages website development, promotes the agency through his experience in public relations, serves as executive director of the JDLH Foundation and serves as liaison to the JDLH Alumni Association.

Adrian Cartledge joined John de la Howe School as Director of Student & Family Services in September, replacing Dr. Webb, who was hired as the agency head. Mr. Cartledge returned home to his native McCormick from Nashville, TN, where he was with Omni Vision, which serves Level III boys and girls. Prior to that he was with Woodbridge Behavioral Care, working with Level III boys and girls in both Tennessee and Arkansas. A graduate of South Carolina State University, he holds an MBA from Delta University and is currently working toward a Master's degree in conflict resolution, also from Delta University.

Recruitment is in progress for a Director of Human Resources following the return of Ms. Faye Gowans to the Department of Mental Health. In the interim, HR functions are being handled by the agency's HR assistant with additional help from the State Office of Human Resources.

Board Member Profiles

Barbara Devinney, Board Chair, resides in McCormick, holds a law degree from the University of California, Davis, and is retired from a long career in management positions in nonprofit and government-related health and human services and education. She has been responsible for government accountability and reporting for several agencies and was executive director of the Mental Health Association in Sacramento and Placer Counties in California. When her daughter was in college, she adopted a young foster child with special emotional needs and intimately understands the importance of quality blended services to support the kinds of children and adolescents served by John de la Howe. She joined the Board in June 2013.

Donna Moore Wesby, Vice Chair of the Board, resides in Aiken. She is the founder and host of a weekly radio and television broadcast called "Education Matters with Donna Moore Wesby" and has experience managing a nonprofit organization which includes an after-school reading

program in Aiken. She is an honor graduate of the University of South Carolina with a bachelor of arts degree in broadcast journalism. Ms. Wesby completed four years of service on the Aiken School Board before her appointment to the JDLH Board. She joined the Board in June 2013.

Felicia Preston, Board Secretary, is an attorney with Parker Poe in Columbia. She has a board leadership role with Big Brothers Big Sisters in Columbia. The Seneca native previously served as a law clerk for the Honorable J. Michelle Childs, U.S. District Court Judge for the District of South Carolina. Before entering law school, Ms. Preston volunteered with Youth With a Mission in India. There she taught English and raised money to support volunteer efforts. She received her BA, cum laude, from Clemson University and her J.D. from the University of South Carolina Law School. She joined the Board in June 2013.

Patricia (Pat) Silva resides in Aiken. She is currently a psychologist with the Barnwell School District, having retired as director of special education with the Aiken County Public School District. The Philadelphia native moved south to attend college, graduating from Erskine College in 1972. She earned a master's degree from Clemson University and did graduate work at the University of South Carolina. She joined the Board in February 2014.

Thomas R. Love of Mt. Carmel in McCormick County serves as Chief of the Little River Volunteer Fire Department. He is also a board member of Willington on the Way and the nonprofit McCormick Children's Home, located on the JDLH campus. He has an undergraduate degree in outdoor resource management from Columbus State University and was a member of the John de la Howe School staff for 20 years. He joined the Board in April 2014.

Daniel B. Shonka of Central is a retired educator, having taught in South Carolina public schools for 31 years. During his teaching career, he instructed sixth grade history and also coached a variety of sports at different schools, including track at D.W. Daniel High School in Central. He holds a degree in elementary education and a master's degree in secondary education from Clemson University. He joined the Board in April 2014.

Dr. Steven E. Lize of Irmo is an assistant research professor with the College of Social Work at the University of South Carolina. He holds a bachelor's degree in sociology from Dominican University in River Forest, Ill., a master's degree in international service from the University of Roehampton in England, and a Ph.D. in sociology from the University of Roehampton. He also serves as a technical consultant to the Pew-MacArthur Results Initiative, a project of the Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation. He joined the Board in June 2014.

House Formula for Calculating Cost Per Student

JDLH was instructed by the House Ways and Means Subcommittee on Special Schools in 2013 to use this formula to calculate the average annual cost per student.

John de la Howe School						
Average Annual Cost Per Student Served						
Fiscal Year	No. of Students Served	General Fund Expenditures	General Fund Cost per Student	Federal Fund Expenditures	Federal Fund Cost per Student	Total Cost Per Student
2012-2013	139	\$ 4,465,021	\$ 32,122	\$ 61,846	\$ 445	\$ 32,567
2011-2012	178	4,420,045	24,832	136,479	767	25,598
2010-2011	113	3,085,907	27,309	135,209	1,197	28,505
Total	430	11,970,973		333,534		86,671
Average Expenditures By Fund and Cost per Student By Fund	143	\$ 3,990,324	\$ 28,087	\$ 111,178	\$ 803	\$ 28,890

JDLH Board Position on DJJ Oversight

John de la Howe School

192 Gettys Road - McCormick, SC 29835 - (864) 391-0414

Statement of the Board of Trustees Regarding Placement under DJJ Supervision

The John de la Howe School provides children with emotional and behavioral challenges with an array of services in a unique setting. Many have not succeeded in their home schools, and many face challenges with family dynamics. The vast majority have suffered some sort of trauma, and most come from economically disadvantaged circumstances. John de la Howe provides a place for children to heal, while continuing their education – through the rural farm setting, through our caring staff providing positive role modeling, and through one-on-one counseling - while at the same time working with families to prepare their safe return home.

It is rare that we have a student who has had charges with the juvenile justice system, and when we do we have ascertained that John de la Howe is the best placement option for that particular youth given the totality of the circumstances. To place John de la Howe under the Department of Juvenile Justice would send the wrong message to children and families served by the agency.

Under the current school district referral structure, there is a financial disincentive for other districts to send their students in need to John de la Howe. This means that most parents choose John de la Howe on their own. In spite of negative news reports, many parents have continued to offer very positive comments about how important the school is to their child and their family. Families would be extremely reluctant to have their children under supervision of the Department of Juvenile Justice and the stigma associated with that environment.

The enabling legislation for JDLH (Education Code Section 59-49 et seq.) states: “The business, property, and affairs of the school must be under the control of a board of trustees, consisting of nine members, appointed by the Governor, subject to confirmation by the Senate.”

The Board of Trustees has been meeting frequently, working with state agencies like the Departments of Education, Mental Health, Juvenile Justice and the Inspector General’s Office to ensure John de la Howe School is operating in an efficient and accountable manner. We have met with and complied with every request of both the House and Senate Finance Subcommittees. We enjoy the dedication and hard work of a strong executive staff. We also enjoy the loyal support of the school’s alumni, who are committed to keeping the legacy of Dr. John de la Howe alive by providing a caring and therapeutic environment for children. We share their passion and remain committed to these children and their families, providing them a safe place to heal, grow and make lasting changes.

ON BEHALF OF THE BOARD OF TRUSTEES

Barbara Devinney, Board Chair

March 13, 2014



John de la Howe School

South Carolina's Home for Children



Dr. Danny R. Webb
President

BOARD OF TRUSTEES

Barbara Devlinney
Chair
McCormick, SC

Donna Wesby
Vice-Chair
Aiken, SC

Felicia Preston
Secretary
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Steve Lize
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Tom Love
McCormick, SC

Dan Shonka
Central, SC

Patricia Silva
Aiken, SC

July 14, 2014

Hon. Tom Young, Jr., Chair
DSS Oversight Subcommittee
Senate General Committee
P.O. Box 651
Aiken, SC 29802

Re: DSS Placement Policy for "Moderate Risk" Youth

Dear Senator Young:

As your subcommittee continues to examine placement and supervision policies of the Department of Social Services for at-risk children and youth, we would like to call your attention to the impact of current DSS policies on admissions to the John de la Howe School.

Since 1797, John de la Howe has been a state-funded resource for serving children and youth through residential care in a rural, working farm setting with a school onsite. For many years, services have been targeted to children and youth in grades 6-12 who face emotional, behavioral, family and academic challenges. These children fall in the "Level II" category of having moderate emotional disturbance. Most entering our programs have suffered some form of trauma, abuse or neglect or are at substantial risk of harm when families exceed their capacity to cope with their challenging behaviors.

For decades, children were referred to John de la Howe by the Department of Social Services. That suddenly stopped in 2011.

On April 3, 2013, a meeting was held in Greenwood with local legislators, former DSS director Lillian Koller, and representatives from the Connie Maxwell Children's Home and the John de la Howe School to discuss declining referrals from DSS. Dr. Ben Davis, recently retired director of Connie Maxwell, said then "the Greenwood campus hasn't had a single referral from DSS since March 2011." Referrals from DSS to John de la Howe stopped about the same time. Director Koller vowed that her office would help facilitate referrals, but that never happened.

DSS continues to license JDLH and conduct a thorough and extensive annual facility review, yet it sends no children for care while dozens should be eligible for our services.

For the past three years, virtually all referrals of youth to John de la Howe have been "self-referrals" by parents or other responsible family members. School districts do not make direct referrals because that would require district funding to follow the child. Instead, parents in some districts are given a list of possible options to consider. In other districts, parents are left to identify options themselves.

We recognize that laws affecting children in need of out-of-home care require placement in the "least restrictive environment." We also recognize, as do many in the social work profession, that often times older youth are resistant to foster care yet thrive in a group setting. Because of the rural location of John de la Howe, the lack of fences and the DSS-mandated staffing ratios of one to eight staff members to students, "runaways" are a very rare occurrence, and JDLH does provide a least restrictive, safe environment where children can heal and make lasting change. Our focus is also on reunifying families. We provide parenting training and counseling with families and use home stays during academic breaks and some weekends as a valuable home and community reintegration process.

We also recognize that child behavior problems is cited as one of the strongest predictors of placement instability and a common reason that foster parents request the removal of a child in their care. In this regard, we believe the John de la Howe School can be a valuable resource to the Social Service child placement system.

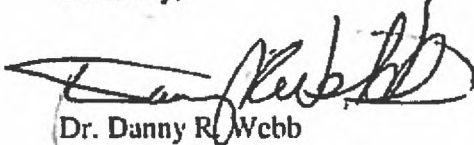
One analyst suggested the reason for not placing children with John de la Howe is that the cost of care exceeds that available to DSS through private, nonprofit, often religious-based congregate care providers. Other testimony provided to your subcommittee suggests that the reason is something other than that since private, nonprofit providers have likewise seen a major drop in referrals from DSS. Their experience, as shared with the Palmetto Association for Children and Families (of which JDLHS is member) is that the rate paid for private care does not cover the extent of services and care mandated by DSS and they must supplement the rate with private fundraising.

We believe the state should recognize that it has a long-standing investment in the facilities and resources of the John de la Howe campus, and that other state agencies and public school districts should be encouraged to fully utilize its resources for the public care and education of the state's children. Such an effort would minimize external recruiting costs, keep the facility at full capacity, and support a multi-agency collaborative approach to seeing John de la Howe succeed in its mission to serve children and families in need.

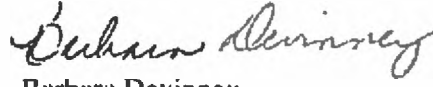
Hon. Tom Young, Jr.
July 14, 2014
Page 3

We urge your subcommittee to promote full utilization of the John de la Howe School as a matter of public policy.

Sincerely,



Dr. Danny R. Webb
President



Barbara Devinney
Board Chair

cc: Hon. William H. O'Dell
Hon. Joel Lourie
Hon. Katrina Shealy
Hon. Hugh K. Leatherman, Sr.
Hon. John E. Courson
Hon. Robert W. Hayes, Jr.
Hon. Floyd Nicholson
Hon. Shane Massey
Hon. J. Anne Parks

drw:bd:ers

Interviews on Outsourcing Opportunities

Interviews with sizable organizations in the McCormick were conducted to gather information on experiences with outsourcing information technology, facilities maintenance and landscape maintenance.

Kirk Smith, General Manager
Savannah Lakes Village
5812 US Highway 378 W.
McCormick, SC 29835
ksmith@slv-sc.com
864-391-4116

August 27, 2014

Savannah Lakes Village is an active adult retirement community located within 5 miles of John de la Howe School in McCormick County. The Property Owners Association (POA) employs 71 FTE, 35-40 of which are full-time employees, and there are 6 department managers. With nearly 2,000 residents, the property comprises 4,000 wooded acres with approximately 1,200 completed homes, two championship 18-hole golf courses, an indoor and outdoor swimming pool, tennis courts and recreation center.

Information Technology (IT). “The organization is a very lean one, and it is hard to justify a full-time equivalent position just for IT, but it is beneficial to have someone providing IT services who really knows the organization, understands the organization’s goals and is part of the culture. We’ve been able to make that work here by including other marketing and related tasks among the job duties.”

Facilities Maintenance. “The Community Services Department has employees who are able to provide most facilities maintenance services including some plumbing and electrical. However, it is more cost-effective to engage outside contractors when specific skilled, licensed services are required. This is particularly true for HVAC.

“The biggest challenge in using outside resources is the lack of skilled technicians in the McCormick area. The nearest communities for such services are Greenwood to the north and Augusta to the south, both of which entail a 45-50 minute drive. This increases the costs and scheduling time, and many repair needs are more urgent than that allows.”

Interviews on Outsourcing Opportunities (Continued)

Phillip Gates, CMCA, AMS
Director of Community Services
Savannah Lakes Village & Golf Clubs
5812 US Highway 378 W.
McCormick, SC 29835
864-391-4126
pgates@slv-sc.com

August 27, 2014

“The biggest hazard with choosing to outsource any kind of service is that an organization typically receives an attractive bid for the price of services, then the organization loses its trained staff and gets rid of or no longer maintains tools and equipment. In subsequent years, the contractor will keep raising prices and by that time, the cost of buying or restoring equipment – in-house becomes insurmountable and you’re at the mercy of whatever price the contractor charges.”

Facilities Maintenance. “Two services that make the most sense to outsource are road work and garbage collection. The Community Services staff can handle basic plumbing and electrical needs and fit that in with other duties. It is not cost-effective, however, to have someone on staff who is licensed in HVAC. Service providers are available in Greenwood and Lincolnton.”

Landscape Maintenance. If you have a good core group of skate maintenance staff, you can augment that with temporary labor during a 4-5 month period in the summer. Local people are available for mowing, edging, weed-eating, and blowing. (Note: JDLH would need to consider requirements for background checks, TB tests and supervision of such workers.)

Gerald Clanton, Manager
Hickory Knob Resort State Park
1591 Resort Dr
McCormick, SC, 29835
864-391-2450

September 25, 2014

Part of the South Carolina State Parks system, Hickory Knob State Park in McCormick County is located along the Savannah River, covers 1,000 mostly wooded acres and offers lodging, camping, conference rooms, dining facility and lodge, and an 18-hole golf course.

Information Technology (IT). “The State Parks system manages IT services from the Columbia office. Software problems are handled through remote access to the system. For hardware problems, replacement parts and warranties are also handled out of the Columbia office. IT is used primarily for reservations and business operations.” (Note: JDLH students and faculty use computers as part of educational programming and often need rapid response to problems. Client confidentiality issues are also greater than those at the park.)

Interviews on Outsourcing Opportunities (Continued)

Facilities and Landscape Maintenance. “Staff at the park provides maintenance services except for HVAC, which is contracted out. From his experience in managing hotels in Columbia, Mr. Clanton echoes the caution of Phil Gates from Savannah Lakes Village that once equipment used for maintenance is given up when shifting to contractor services, it becomes too costly to return to providing services in-house.”

Pauline Thomas, Director of Finance
McCormick County School District
821 N. Mine Street
McCormick, SC 29835
864-852-2435

September 25, 2014

The school district provides all services in-house. A contracted person had been providing information technology services in two prior years, but this service was brought in-house to better serve the district. A suggestion has been made to consider outsourcing janitorial services, but a study would need to be completed before such a recommendation would be considered by the board.

Scott Hyatt, Operations Project Manager
U.S. Army Corps of Engineers, Savannah District
510 Clarks Hill Highway
Clarks Hill, SC 29821
800-533-3478, Ext. 1101

September 25, 2014

The property along the Savannah River at the Strom Thurmond Dam and Reservoir covers 80,000 mostly wooded acres and is a fishing and recreation site.

Information Technology (IT). “The Army Corps of Engineers is part of a nationwide program that uses a public-private partnership for contracting IT services. Software problems are typically handled remotely through the system. Because the nearest dispatch location is in Savannah, hardware repairs and other issues requiring on-site presence can present difficulties.”

Facilities and Landscape Maintenance. “All maintenance, mowing and janitorial services are handled through a contract with a company based in Hennessey, Oklahoma. This Corps property has retained ownership of most equipment, including dump trucks and mowers, and any equipment purchased by the contractor for use on the property has become the property of the Corps. This way if the contractor doesn’t show up, an employee can go out and jump on the mower and do the job. The Savannah River location didn’t retain its equipment, which I thought was a bad idea.” (Note: Corps employees are primarily rangers. If JDLH had no maintenance workers on staff, JDLH would not be able to ask teachers for therapists to go out and jump on a mower.)

Division of Technology Operations
Budget and Control Board
Columbia, SC
(803) 896-0001

December 19, 2013
February 11, 2014

In December 2013, the John de la Howe agency contacted the Division of State Information Technology (DSIT) for an assessment and proposal regarding information technology (IT) services.

On or about December 19, 2013, Larry Page (technical manager), Charlie Zeberlein (network design manager), Kortney Floyd (customer service liaison), and Alyson Fletcher visited the JDLH campus to complete an assessment of agency needs. On or about February 11, 2014, Viola Faust, Director of Business and Finance received a communication including a proposal from DSIT.

According to Alyson Fletcher, DSIT could provide monitoring, management and maintenance of routers, switches, firewalls and wireless. However, for these services to be provided a separate network connection from JDLH back to DSIT would have to be provided at an additional cost. Equally, DSIT would not provide a contract for PC Hardware or Software quotes. Finally, DSIT stated if the agency contracted with them we would still need a desktop support person which they could not provide. Also, they could not provide backups or disaster recovery due to the distance between JDLH and their office in Columbia, stating they were concerned about the latency (time delays) of the network connection between us.

The proposed cost for the services that DSIT could provide to JDLH totaled \$78,943.68, exclusive of the separate network connection, finding alternate sources for hardware and software quotes and hiring a desktop support person. These services were deemed too costly for the agency, and in-house staff is providing IT services more economically.