



To: The Honorable Henry McMaster, Governor of South Carolina
The Honorable Harvey S. Peeler, Jr., Chairman of the Senate Finance Committee
The Honorable Bruce W. Bannister, Chairman of the House Ways and Means Committee

From: Ann Vandervliet, Agency Director, South Carolina First Steps

Date: October 1, 2025

RE: First Steps 4K Quarterly Report Pursuant to Provisos 1.48 and 1A.26

Provisos 1.48 and 1A.26 of the FY 2025-26 State Budget for South Carolina specify that:

First Steps and the Department of Education must provide an equitable distribution above the minimum between public and private providers. First Steps and the Department of Education must provide a quarterly report beginning October 1 detailing funding above the minimum made to any provider to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee.

Pursuant to the terms of the proviso, we are writing to provide an update on the funding above the minimum made to any SC First Steps 4K provider. Additionally, we are providing an update on FY 25, Q4 expenditures that were reported on in June 2025; these numbers were adjusted after the final reconciliations were completed.

For the school year starting August 4, 2025, SC First Steps 4K increased its annual reimbursement rate for the traditional 6.5 full day four-year-old kindergarten for private providers from \$5,700 to \$5,839. This amount was increased for all providers as of the same school start date.

FY 2025 Update		State Fiscal Year 2026			
Q4		Q1	Q2	Q3	Q4
824,808.51	Quarterly	1,022,813.23			
3,064,077.24	YTD	1,022,813.23			

As of October 1, 2025, SC First Steps 4K has served 4,060 students and has contracted with 313 providers for 383 classrooms.

cc: David Morley, Chair, SC First Steps Board of Trustees
Melanie Barton, Senior Education Advisor, Office of the Governor
Martha Strickland, 4K State Director, SC First Steps
David O'Kelley, Chief Financial Officer, SC First Steps
Grant Gibson, Senate Finance Committee
Stephanie Meetze, House Ways and Means Committee