



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: July 1, 2025

**RE: First Steps 4K Quarterly Report Pursuant to Provisos 1.47 and 1A.26**

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Provisos 1.47 and 1A.26 of the FY 2024-25 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, Q3 expenditures that were reported on in April 2025; these numbers were adjusted after the final reconciliations were completed.

For the school year starting August 19, 2024, SC First Steps 4K increased its annual reimbursement rate for the traditional 6.5 full day four-year-old kindergarten for private providers from \$5,500 to \$5,700. This amount was increased for all providers as of the same school start date.

	Q1	Q2	Q3	Q4*
Quarterly	\$574,146	\$758,509	\$872,663	\$819,337
YTD	\$574,146	\$1,332,655	\$2,205,318	\$3,024,654

State Fiscal Year 2025

*\*Quarter 4 expenditures may be adjusted after the final reconciliations are complete.*

As of June 30, 2025, SC First Steps 4K has served 4,287 students and has contracted with 296 providers for 360 classrooms.

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