



Date: July 1, 2026

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

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. For the school year starting August 19, 2025, SC First Steps 4K increased its annual reimbursement rate for the traditional 6.5-hour 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. Also included in the above the minimum expenditures are the 10% higher tuition rates paid to 165 4K providers who hold a "B" or higher rating with ABC-Quality.

State Fiscal Year 2026

	Q1	Q2	Q3	Q4*
Quarterly	\$1,014,184	\$918,562	\$1,049,003	\$1,048,241
YTD	\$1,014,184	\$1,932,746	\$2,981,749	\$4,029,990

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

As of June 30, 2026, SC First Steps 4K has served 4,497 students for at least one day and has contracted with 301 providers for 361 classrooms.

cc: David Morley, Chair, SC First Steps Board of Trustees
Melanie Barton, Senior Education Advisor, Office of the Governor
Grant Gibson, Senate Finance Committee
Stephanie Meetze, House Ways and Means Committee
Martha Strickland, 4K State Director, SC First Steps
Elliott Epps, Legislative Liaison, SC First Steps