

South Carolina First Steps Child Care Scholarships External Evaluation

Executive Summary

Institute for Families in Society
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**External Evaluation of the
First Steps Child Care Scholarship Program
FY17/18-FY21/22**

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Introduction

South Carolina First Steps (First Steps) is the state agency and 501c(3) nonprofit responsible for supporting school readiness for children ages 0-5 in South Carolina. First Steps consists of a state-level office in Columbia, SC, and a network of 46 local partnerships that operate as affiliate nonprofits to meet agency goals. First Steps county partnerships (termed local partnerships in this report) provide programs in key areas related to child school success: early care and education, parenting/family support, transition to kindergarten, and health. Given resource constraints and the important focus of First Steps in supporting families facing disadvantage, eligibility for local partnership services is determined by child- or family-level risk factors that can impact later school success for children. One important and unique aspect of First Steps as an agency

is that the program array provided at the local partnership level is based on local



determination of needs and non-duplicative gaps in services that can be most beneficial to support school readiness for families with infants/young children within that geographic region. Bridging these gaps in the early care and education arena means that local partnerships use a variety of programs to support families with infants and young children.

Early care and education

programs offered by First Steps local partnerships include a variety of training and technical support services for child care centers and family care homes, pre-kindergarten education for young children, as well as child care scholarships. Child care scholarships enable families to access child care for no cost or at a reduced cost, and are implemented as direct tuition payments to child care centers. These child care scholarships are the focus of the current evaluation.

More specifically, this evaluation is designed to examine the reach and impacts of child care scholarships for young children and their families provided by local partnerships over a five

year period, from FY17/18 through FY21/22. During this time frame, child care scholarships were distributed from local partnerships to families/child care centers either through the partnerships purchasing scholarships directly from the South Carolina Department of Social Services, the state agency that receives federal funding for these child care scholarships (SCDSS; termed “public” scholarships), and/or through use of local funding sources for scholarships (termed “in-house” scholarships). Scholarships can also vary in the level of support provided to families; scholarships can be provided for full-time care, part-time care, or “wrap-around” care. Wrap-around scholarships provide care during afterschool hours for children who attend school during the day and do not require full-time care.

In line with the program’s goal to promote “healthy development and school readiness” for young children



at developmental risk, First Steps scholarships are targeted scholarships are targeted for children under age 6 or before kindergarten entry to have at least two of First Steps’ defined and documented risk factors for early school failure. Additionally, scholarships must be used in child care centers that are of high quality, except in geographies which do not have enough high quality programs in which case special exception may be granted to use scholarships for other providers. High quality is defined as meeting at least one of the following: ABC Quality Improvement Rating System level B or above; participating in First Steps quality child care enhancement strategies (Quality Enhancement or Quality Counts); and/or the center having a rating on an observational measure of child care quality, the Environment Rating Scale, at a rating of 4 or above.

In addition to paying the cost of child care, the First Steps scholarship program provides participating children developmental screenings using the Ages and Stages Questionnaire 3rd version (ASQ3) and the Ages and Stages Questionnaire Social-Emotional 2nd version (ASQSE2), with appropriate referral based on screenings as a key program standard. Scholarships are also integrated with other school readiness interventions, which local partnerships may require as a condition of funding, and with a requirement for the provision of at least one hour of parenting training on the benefits of high quality child care to all parents who are new to the program.

The program standards emphasize, across all five years of the evaluation period, that these vouchers may not supplant other public funding available to pay for child care. Specifically, families participating in TANF or transitional TANF must be referred to SCDSS to enroll in the SC Voucher Program, and age- and income-eligible families are to be given information about their options to access publicly funded child care through Head Start, as well as programs offered through their school district and the First Steps 4K program.



As existing research on the impact of scholarships is mixed (please see the full evaluation report for details), the First Steps child care scholarship program is unique in several ways that are important to consider in evaluating the program. First, First Steps scholarships prioritize child developmental outcomes rather than parental employment outcomes, as have been examined in existing research. This is reflected in the eligibility criteria (e.g. minimum of 2 factors that represent risk for early development), and in program focus (requirement that the child care program meet quality standards, and linking of vouchers to family participation in other evidence-based programming and/or information sessions for parents to learn about child care quality). Additionally, the program participation data that First Steps collects makes possible nuanced analysis of the associations between voucher receipt, child exposure to child care services, and child development over time and into the start of kindergarten.

Evaluation Focus and Research Questions and Aims

For the current evaluation, existing administrative, archival data was used to describe the population of children and families who received First Steps scholarships, and, similarly, to describe

the child care providers who cared for the children served by the First Steps scholarship program over the course of the evaluation time frame from FY17/18 through FY21/22. Existing administrative and archival data was also used to examine both the reach and impacts of the First Steps scholarship program over the evaluation time frame.

Descriptive Evaluation Questions

The first part of this evaluation focused on who was served, what they received, and in what settings. Research questions were for this part of the evaluation were:

RQ1: What were the reach and distribution of the scholarships provided? This includes examination of the number and types of scholarships provided, and where those scholarships were provided over the evaluation time frame.

RQ2: What were the demographic characteristics of the First Steps children and families receiving scholarships? This research question entails examining important individual child characteristics such as gender and developmental level, as well as child and family-level risk factors for poor school performance as identified by First Steps upon entry to the scholarship program.

RQ3: What other types of programs were children and families receiving over the time frame of the evaluation? This includes examination of the other First Steps programs, and especially evidence-based programs, that were provided in conjunction with scholarship receipt.

RQ4: What are the characteristics of the child care providers who served scholarship-



receiving children and their families? This includes how many child care providers received a scholarship for a child connected to the First Steps program, what types of scholarships were received (i.e. full or half-time), and what was the quality level of these providers in the South Carolina ABC Quality Rating and Improvement System (QRIS).

Impact Evaluation Research Questions

In addition to the largely descriptive research questions above regarding the children, families, and providers who received a scholarship, we also sought to examine the impacts of participation in the scholarship program on two important outcomes in Kindergarten: 1) performance on the South Carolina Kindergarten Readiness Assessment (SCKRA), and 2) the level of chronic absenteeism in Kindergarten.

SCKRA. The [SCKRA](#) is a 50-item measure given by day 45 of a child's kindergarten year by qualified teachers. This tool assesses the level of development of foundational skills important



for instruction based in kindergarten standards. These foundational school-readiness skills are categorized on the SCKRA as Emerging Readiness (limited foundational skills), Approaching Readiness (demonstrating some foundational skills), or Demonstrating Readiness (foundational skills for instruction are present). The SCKRA was administered state-

wide starting in the Fall of 2017. The Fall SCKRA was used in the Fall of 2017, 2018, 2019, and 2021. Importantly, the SCKRA was modified in the Fall of 2020 due to the COVID-19 pandemic.

Chronic Absenteeism. [Chronic absenteeism](#) is a dichotomous (yes/no) outcome, defined as missing 50% or more of the instructional day for 10% or more of the days that the student is enrolled in a particular school or district. Chronic absenteeism limits learning and can negatively academic performance.

Research questions related to program impact were:

RQ5: How did the school readiness (SCKRA) level and level of chronic absenteeism compare for children who received a scholarships alone to children who received a scholarship and other First Steps programs?

RQ6: How did the school readiness (SCKRA) level and level of chronic absenteeism in kindergarten compare for children who received a scholarship to similar children who did not receive a scholarship?

To answer these questions, administrative data was used to distinguish children who received a scholarship alone from those who received a scholarship plus other First Steps services (Q5), and to create a comparison group of similar children who did not participate in the scholarship program (Q6). This latter approach, known as propensity score matching, allows for comparing each child who received a scholarship to a child who is similar in terms of a range of socio-economic, demographic and family systems factors, but who did not receive a scholarship.

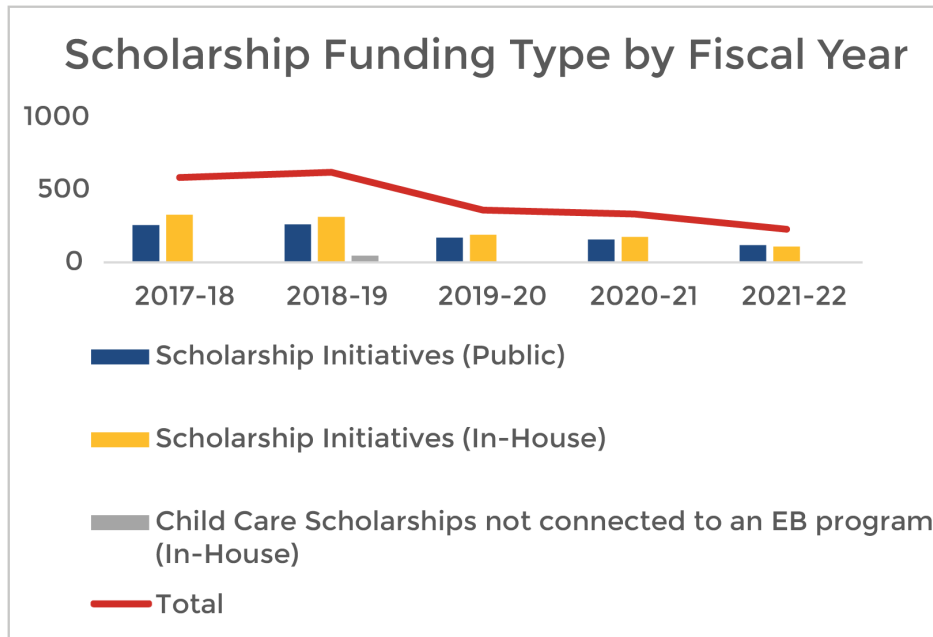
Results–Descriptive Analysis

RQ1: What were the reach and distribution of the scholarships provided?

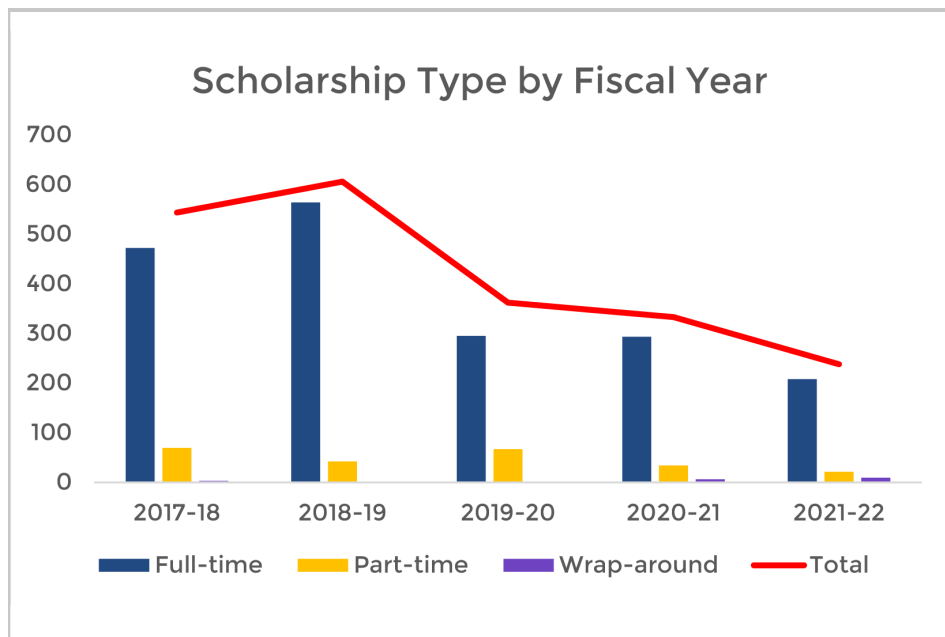
Across the five-year evaluation period, there were 2,177 children overall who qualified for scholarships; however, only 2,130 scholarships were used representing 1598 unique children (unduplicated count). Across the five-year evaluation period, 47 children were not connected to childcare providers. While the number of scholarships provided peaked in FY18/19, substantial decreases were seen over time. These decreases are most likely a function of the impacts



of the COVID-19 pandemic, reducing the amount of child care that was available and provided. See the figure below for details of the number of scholarships provided by fiscal year.



With regard to the type of care provided, the majority of scholarships were for full-time care (n=1832 or 88%); this remained true even as the number of scholarships provided decreased from FY18/19 to FY 21/22 (see figure, below).



Another important question regarding the reach of the First Steps child care scholarship program

available demographic details of the sample.

Table 1. Overall Demographic Details for Children in the Scholarship Program

Demographic Table	N	%
Gender		
Female	758	47.43%
Male	840	52.57%
Racial/Ethnic Categories		
African American	1184	74.09%
Hispanic	82	5.13%
White, Non-Hispanic	344	21.53%
Asian American or Pacific Islander	13	0.81%
American Indian	4	0.25%
Two or More Races	29	1.81%

Because the duration of exposure to high-quality child care is likely important to promoting child development, an important factor to consider when evaluating the First Steps scholarship program is the length of time that children are enrolled. Over the evaluation time frame, children were enrolled in scholarships for a range of 1 to 5 years, averaging 1.42 years (SD = .705). The most common length of time that children were enrolled was one year (calculated using the mode, or the most frequent length of care). This finding is not surprising as scholarships, once awarded, are for 52 weeks of care.

Another important question involves the developmental level of the children who received scholarships over the evaluation time frame. To examine this question, data from the Ages and Stages Questionnaires: Third Edition (ASQ-3), were used. First Steps scholarship program standards require that the ASQ-3 be administered within the first 90 days of a child receiving a scholarship for the program year, with results reported to parents. If this initial assessment indicates a delay in development, a second ASQ-3 should be given within 90 days and referrals made to BabyNet or other

The average age children were connected to scholarships across the evaluation period was 27.17 months (standard deviation = 15.03, range 1 month of age to 73 months of age).



resources as needed. Thus, an ASQ-3 screening should ideally occur in each program year of scholarship receipt. No requirement for follow-up administration is noted in the First Steps program standards beyond that required for children when a delay is noted.

For this data set, 1226 children had an initial ASQ-3 assessment, representing 76.72% of the total sample of 1598 children (unduplicated count) who received scholarships over the evaluation period. Furthermore, of the 1226 children, between 690 and 705 children had a second ASQ-3 assessment (the number



of children with a second assessment differed by the developmental domain examined). In sum, 23.28% of the sample was missing an initial ASQ-3 and between 56.28% and 57.5% of all children did not get a second administration of the ASQ-3. The data for the subset of children in this sample that had multiple ASQ screenings showed growth across all subscales of the ASQ-3 in the areas of communication skills, gross motor skills, fine motor skills, and person-social development. However, we cannot know if a similar pattern would be observed for the majority of children for whom observations were missing, and thus cannot make definitive conclusions regarding the impact of the program on child developmental level. Maturation of children over time is a powerful alternative explanation for changes observed, and given lack of a comparison group, this explanation cannot be ruled out.

What are the characteristics of the families involved in the scholarship program?

In order to qualify for the scholarship program, upon program entry families must possess at least two risk factors for early school failure, as both defined and identified by First Steps. Table 2 below shows the prevalence of risk factors identified in our sample. The most prevalent risk factors are associated with challenges to meeting basic needs – low-income and lack of a medical home. Additionally, it is important to note that 28.8% of the children receiving scholarships had a family member with a mental health challenge or indication of substance abuse during this 5-year period. Another 8.82% of these children have come from families where interpersonal violence (domestic

violence) is present. In contrast to risk factors that are static or difficult to modify (e.g. low maternal education or having a teenage custodial parent), mental illness, substance abuse, and domestic violence are modifiable and amenable to intervention. The high rates of these risk factors among families receiving First Steps child care scholarships represents an important opportunity for supporting child and family well-being. Linking families to high quality child care, along with services designed to address safety, mental health, and/or substance use challenges, is likely to yield a stronger impacts on child development and school readiness. Please see Table 2, below, for additional details.

Table 2. Risk Factors

Risk Factor	Number	Percentage
Supplemental Nutrition Assistance Program	1224	76.60%
Single parent household and has need of other services	1072	67.08%
TANF Eligibility (50% of Federal or below)	618	38.67%
Exposure to parental/caregiver depression	280	17.52%
Low Maternal Education (less than high school graduation)	248	15.52%
Teenage Custodial Parent	209	13.08%
BabyNet (IDEA Part C) or local school district (IDEA Part B)	162	10.14%
Low Birth Weight	161	10.08%
Exposure to domestic violence	141	8.82%
Exposure to substance abuse by a caregiver	107	6.70%
Transient/ numerous family relocations and/or homeless	99	6.20%
Developmental Delay	89	5.57%
Exposure to parental/caregiver mental illness	73	4.57%
Multilingual Learner	79	4.94%
Referral Neglect	56	3.50%
Incarcerated Parent	54	3.38%
Death in the Immediate Family	51	3.19%
Exposure to parental/caregiver intellectual disability	35	2.19%
Foster Child	36	2.25%
Referral Abuse	29	1.81%
Military Family	6	0.38%
Child was removed for behavioral reasons	1	0.06%

In addition to risk factors required for program eligibility, participating families also vary in the prevalence of protective factors which can both buffer against the harms associated with risk factors, and represent a strength upon which to build with effective intervention. These protective


factors, along with the risk factors above, are assessed at program entry; that said, the protective factors examined by First Steps represent a limited set from among the many protective factors known to promote optimal long-term outcomes for children. This is expected, given that the focus of First Steps is on factors primarily related to child academic outcomes and not child development in general. The protective factors available for examination in the administrative data include having regular medical care from a routine provider, as well as parent academic achievement and academic aspirations (see Table 3). The fact that nearly 40% of children served by the voucher program have a medical home is both positive and important; supporting linkages to a medical home would be quite beneficial for families involved in the scholarship program. (Of note, having a medical home is tracked for children whose families are receiving Parents As Teachers (PAT), the most common home visitation program used by First Steps; as will be noted later in this report many children in the scholarship program are also involved in PAT). Adult education for parents/caregivers to assist in completing a GED or high school diploma would also appear as an important area for continued focus and development.

Table 3. Protective Factors

Protective Factors	Number	Percentage
Child has a medical home	639	39.99%
Client has the goal of obtaining a High School Diploma	104	6.51%
Client has the goal of obtaining a GED	3	0.19%
Client received a High School Diploma	25	1.56%
Client received a GED	4	0.25%

In addition to risk and protective factors, we examined the income distribution for families involved in the scholarship program. Consistent with the income eligibility requirement for public scholarships during the majority of the evaluation time frame (<150% poverty level), a large share of families served are low-income, as would be expected in a program that provides assistance paying for child care. Importantly, nearly 40 percent of the children receiving childcare scholarships were living in deep poverty, with a total family income of less than \$10,000.² Thus, assuring that families have access to services and supports to meet basic needs is critical to this large percentage of families who are enrolled in the child care scholarship program. Table 4, below, provides additional detail regarding the income level of families in the scholarship program over the evaluation time frame.

**40 percent
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² Data missing for 299 children.

Table 4. Number of families by income level

Total Family Income	Frequency	Percent
<10,000	628	39.3
10,000 - 14,999	281	17.9
15,000 - 19,999	198	12.3
20,000 - 24,999	106	6.6
25,000 - 29,999	41	2.7
30,000 - 34,999	21	1.4
35,000 - 39,999	12	0.7
40,000 - 44,999	4	0.2
45,000 - 49,999	4	0.2
>50,000	4	0.2

RQ3: What other types of programs were children and families receiving over the time frame of the evaluation? This includes examination of the other First Steps programs, and especially evidence-based programs, that were provided in conjunction with scholarship receipt.

Child care scholarships are typically offered in conjunction with other First Steps programs, with the rationale that school readiness is impacted by a multitude of factors operating at child, family, and community levels of the social ecology.

Table 5, below, lists the additional programs that families received by fiscal year. The most common additional program that families were enrolled in is the Parents as Teachers (PAT) program,



a home visiting program with evidence of impacts on important child academic and parenting outcomes. In this sample, Nurturing Parenting was the second most common parenting program used with child care scholarships. Please see Appendix C in the full report for a more detailed breakdown of the types of First Steps programs that families receiving scholarships were involved in by county and fiscal year.

Table 5. Program Involvement by Fiscal Year

Program	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Parents as Teachers	86	107	90	75	76	434
Nurturing Parenting	13	1	8	17	39	78
Early Identification and Referral	1	9	3	6	0	19
Early Steps	1	9	0	1	0	11
Incredible Years	0	0	0	0	7	7
Triple P Positive Parenting Program Level 4	0	0	0	3	0	3
Facility Quality Enhancement	0	0	0	2	0	2
Raising a Reader Enhanced	0	0	0	2	0	2
Healthy Families	0	1	0	0	0	1
Head Start Programming	0	0	0	1	0	1
Early Education for children under 4	0	0	0	0	1	1
Total	101	127	101	107	123	559

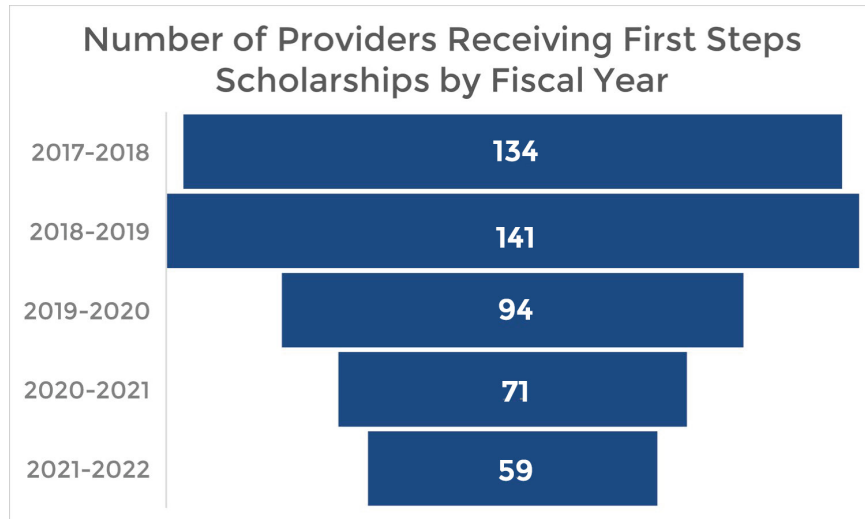
RQ 4: What are the characteristics of the child care providers who served scholarship-receiving children and their families? This includes how many child care providers received a scholarship for a child connected to the First Steps program, what types of scholarships were received (i.e. full or half-time), and what was the quality level of these providers in the [South Carolina ABC Quality Rating and Improvement System](#).

How many providers received what types of scholarships, and in what locations?

Overall, 207 unique registered childcare providers, spanning 28 counties, received a First Steps scholarships at some point during the five-year evaluation period. The figure below shows the number of providers who received a scholarship by fiscal year; because many providers received



scholarships in more than one year, the total of these year-by-year numbers exceed the total number of unique providers (499 versus 207). The number of providers dropped considerably once the COVID-19 pandemic was under way, as expected given wide scale disruptions to all services during this time.



The vast majority of providers received full-time scholarships (n=195); an additional 48 providers received scholarships for part-time care and four received scholarships for wrap-around (after school) care. Note, providers may have received more than one type of scholarship. In addition, the majority of providers received publicly-funded scholarships (n=130) as compared to a total of 94 receiving in-house scholarships.

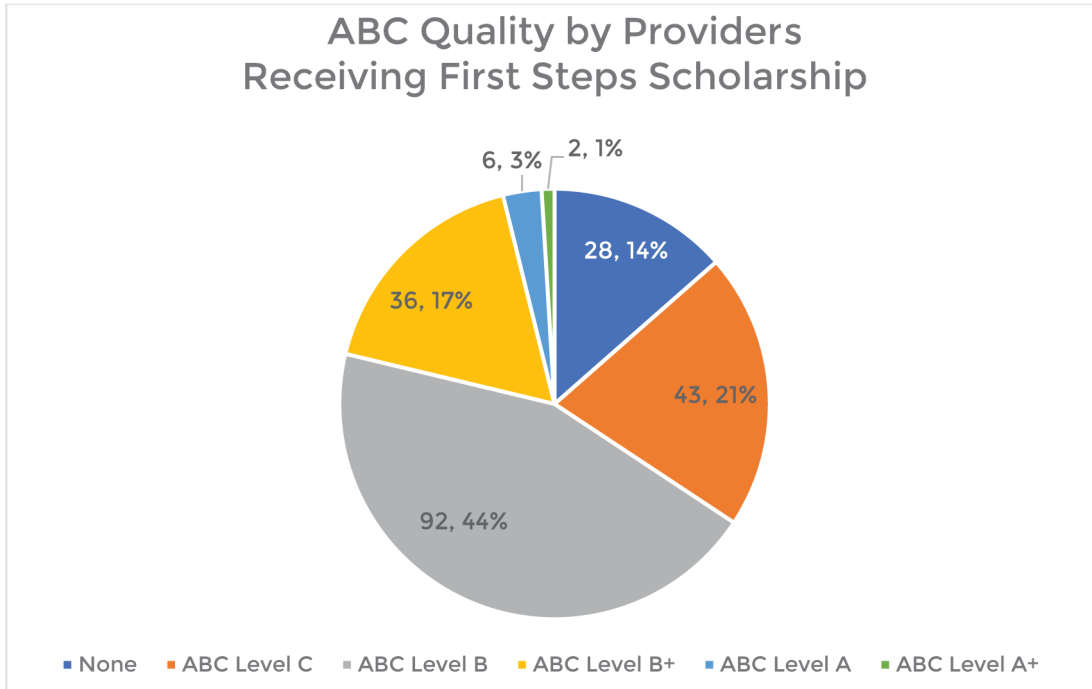
What was the quality of care among participating providers?

First Steps program standards require that scholarships can only be used in high quality child care settings, except when that requirement is waived

because high quality settings are either unavailable to or far away from a participating family. As shown in the figure below, the majority of providers (136/207 or 65.7%) were categorized as ABC quality level B or above. That said, a total of 28 providers did not have an ABC quality rating, and a total of 43 providers were at quality level C. Supporting these centers to prepare for and enroll



in the ABC quality program, as well as supporting continuous quality improvement, is important; of note, this is one of the key goals of the First Steps child care technical assistance program (for further information please see the prior IFS evaluation of these programs completed in 2022) .



Impacts

The remaining research questions were designed to examine the impacts of participating in the child care scholarship program on two important outcomes in Kindergarten: 1) performance on the South Carolina Kindergarten Readiness Assessment (SCKRA), and 2) the level of chronic absenteeism in Kindergarten.

These analyses involved three types of comparisons: 1) children who received a public scholarship versus those who received an “in-house” scholarship; 2) children who received a scholarship only versus those who received a scholarship plus other First Steps evidenced-based programs; and 3) children who received a scholarship versus a matched sample of children who did not receive a scholarship.

Kindergarten School Readiness

To evaluate potential impact of the First Steps Child Care Scholarship Program on participating

children’s school readiness, the following analyses compared the school readiness of participating children to a sample of similar peers who did not receive scholarships. The sample was matched on a set of characteristics that are typically associated with kindergarten readiness - child age, race/ethnicity, school district, ELA status, whether not the child had an Individual Education Plan (IEP) (this indicates whether the child had an identified disability), and household poverty. For these analyses, there was a two-to-one match of 1,232 children who did not receive scholarships matched with 616 children who received either public or private scholarships. Please note that there were no KRA/FS Scholarship matches for the school year 2017/2018. This is because there were no children in our sample that began kindergarten in 2017/2018 due to their age being less than five that year.



Based on these limited data, there were no statistically significant differences noted between those who received a scholarship (n=616) and those who did not receive a scholarship (n = 1232) ($\chi^2 = 2.26, df = 2, p = .32$) on the SCKRA (see Table 6).

Table 6. SC KRA Data Propensity Matched Sample

Scholarship Type	N	Emerging Readiness	Approaching Readiness	Demonstrating Readiness
No Scholarship	1232	32%	42%	26%
Scholarship	616	30%	44%	26%
Total	1848	31%	43%	26%

We also examined the types of scholarships received and SCKRA level of performance. Overall, we found no statistically significant difference between the types of scholarship received (public

or in-house) and kindergarten readiness categories during the years of the evaluation evaluation ($\chi^2 = 6.281, df = 4, p = .179$). That said, the ABC rating of centers did have a statistically significant impact ($\chi^2 = 18.98, df = 8, p = .02$), with children that attended centers that were not rated having lower scores on the SC KRA (see Table 7). It is important to note, however, that fewer children in this sample were attending programs that were not rated or programs that were at ABC Level A as compared the number of children attending centers rated at Levels BB, B, or C. Thus, this finding should be interpreted with caution.

Table 7. Child Care Rating by SC KRA Category


Scholarship Type	N	Emerging Readiness	Approaching Readiness	Demonstrating Readiness
Scholarship Initiatives Public	255	26%	50%	24%
Scholarship Initiatives In-house	343	33%	40%	27%
Child Care Scholarships not connected to an EB program In-house	18	21%	50%	29%
Total	616	30%	44%	26%

In addition to examining the impacts of scholarship on level of SCKRA performance, we also examined whether the type of scholarship impacted the overall SCKRA average scores. A one-way ANOVA was conducted to determine if SCKRA was different between those children who did and did not receive childcare scholarships. Participants were classified into two groups: scholarship recipients ($n = 616$) and not scholarship recipients ($n = 1232$). Although KRA scores were higher for those that received a scholarship (263.09 ± 12.12) than those who did not receive a scholarship (262.28 ± 13.38), the differences between these groups were not statistically significant, $F(1, 1847) = 0.95, p = .686$.

Chronic absenteeism

We first examined whether chronic absenteeism during the kindergarten year was present for students who received a scholarship compared to similar students who did not participate in the scholarship program. A chi-square test of homogeneity indicated statistically significant differences between students who did not receive a scholarship and those that did receive scholarships, $\chi^2(1) = 5.417, p = .023, d = .05$. Children whose

Children whose families received scholarships ($n=616$) had a lower rate of chronic absenteeism than did similar children whose families did not receive scholarships ($n = 1232$) (20% versus 24%)



families received scholarships ($n = 616$) had a lower rate of chronic absenteeism than did similar children whose families did not receive scholarships ($n = 1232$) (20% versus 24%); also see Table 8. This is an important finding; that said, some caution is warranted in interpretation given the earlier finding in this evaluation that scholarships can be accompanied by other First Steps programs such as PAT.

Table 8. Program participation and chronic absenteeism in kindergarten

	N	No	Yes
No Scholarship	1232	76%	24%
Scholarship Recipient	255	80%	20%
Total Sample	1848	78%	22%

We also examined whether the type of scholarship received impacted rates of chronic absenteeism. A chi-square test of homogeneity indicated that there were no statistically significant differences between the type of scholarship children received and chronic absenteeism ($\chi^2(2) = 3.019, p = .22, d = .02$).

While children who received child care scholarships not connected to an evidence-based program ($n=18$) did appear to have lower rates of chronic absenteeism (9%) than those who received a public scholarship ($n = 255, 20%$) and those that received in-house scholarship ($n = 343, 20%$), the small sample size limits power to detect any statistically significant differences between groups and significant caution is warranted in interpretation of this finding. Finally, we examined the impact of ABC child care rating on chronic absenteeism. No



statistically significant difference was found between the ABC child care rating and chronic absenteeism during the years of the evaluation ($\chi^2 = 3.551, df = 4, p = .47$).

In sum, regarding the important educational outcomes of performance on the SCKRA and chronic absenteeism in kindergarten, we were unable to detect an impact on SCKRA performance. That said, we did find a lower rate of chronic absenteeism for children who received a scholarship as compared to similar children who did not. While this finding appears promising, we cannot say for certain that scholarships alone caused the reduction in chronic absenteeism in kindergarten, as most children receiving scholarships are also involved in other First Steps programs.

Overall Summary



Early care and education programs offered by First Steps local partnerships include a variety of training and technical support services for child care centers and family care homes, pre-



kindergarten education for young children, as well as child care scholarships. Child care scholarships enable families to access child care for no cost or at a reduced cost, and are implemented as direct tuition payments to child care centers. Given the substantial investment in the child care scholarship program by First Steps local partnerships during the evaluation time frame (FY17/18 through FY21/22), the current evaluation examined both the reach and impacts of these scholarships for young children and their families.

During the evaluation time frame, child care scholarships were

distributed from local partnerships to families/child care centers either through the partnership purchase of scholarships directly from the South Carolina Department of Social Services (SCDSS), termed “public” scholarships, and/or through use of local funding sources for scholarships, termed “in-house” scholarships.

In line with the goal of First Steps to promote “healthy development and school readiness” for young children at developmental risk, First Steps scholarships are targeted for children under age five who have at least two of First Steps’ defined and documented risk factors for early school failure. Additionally, scholarships must be used in child care centers that are of high quality; special exceptions may be made when high quality programs are lacking within the local partnership service area. High quality is defined as meeting at least one of the following: ABC Quality Rating Improvement System level B or above; participating in First Steps quality child care enhancement strategies (Quality Enhancement or Quality Counts); and/or the center having a rating on an observational measure of child care quality, the Environment Rating Scale, at a rating of 4 or above.

In addition to paying the cost of child care, the First Steps scholarship program provides participating children developmental screenings using the Ages and Stages Questionnaire 3rd version (ASQ3) and the Ages and Stages Questionnaire Social-Emotional 2nd version (ASQSE2), with appropriate referral based on screenings as a key program standard. Scholarships are also integrated with other school readiness interventions, which local partnerships may require as a condition of funding, and with a requirement for the provision of at least one hour of parenting training on the benefits of high quality child care to all parents who are new to the program.

This evaluation found that the First Steps Child Care scholarship program reached a sizable number (n=1598) of children and families, across 207 unique child care settings, spanning more than half of counties in SC over the focal years. Participation declined during the COVID-19 pandemic, as would be expected given the many child care, employment and



other closures that required most families with young children to shift child education and caregiving to the home setting. The longer term social, emotional, developmental, and academic impacts of this disruption to typical supports for children and families are unknown and are just now being examined; as the pandemic affected only the latter years of this evaluation sample we are unable to draw conclusions to this important question in this evaluation.

For the sample of children and families who were in the scholarship program during the evaluation time frame, most participated in full-time child care, for at least 1 year duration, and many families also received at least one additional First Steps evidence-based

service – most frequently the Parents as Teachers program. Combining scholarships with other forms of parent/family support is likely to have a greater impact on child development and school readiness; that said, given the small numbers of children and families who were not involved in other programs, we were unable to closely examine these potential combined impacts in this evaluation.

Scholarships were applied mostly to high quality child care settings, with about 66% of participating providers being rated at an ABC quality level of “B” or better. However, a sizable minority of settings either did not participate in the ABC rating system (n=28) or had a “C” rating (n=43). This is likely reflective of broader challenges in developing, sustaining, and ensuring even access to an adequate supply of high quality child care. We note that First Steps works to address these challenges through a range of their other programs, and that over time these efforts may coalesce to improve how frequently high quality child care exposure can be leveraged through this scholarship program. We note as well that improving the supply of high quality child care depends at least in part on economic and structural conditions, many of which are outside the scope of any First Steps program.



The children served by the scholarship program had a wide range of risk factors associated with early school failure, with the highest prevalence of risk related to household poverty, including nearly 40% living in deep poverty. After economic risk, the next more common type of risk involved parental mental and/or behavioral health challenges. While some of the evidence-based programs that families access in tandem with child care scholarships may tangentially address parental mental and behavioral health, we do not see evidence of this being the primary focus of any; without attending to mental and behavioral health problems, take up and effectiveness of other interventions may be limited.



These descriptive evaluation analyses suggest that the Scholarship Program is reaching the intended group of children, and exposing many of them to both high quality care integrated with other evidence-based programs. Our analyses also suggest opportunities for improvement in how frequently scholarships are applied to high quality settings, and in the alignment of integrated evidence-based programs with the specific risk factors that characterize the families receiving services.

This evaluation found more mixed news when estimating the impact of the scholarship program on children's developmental outcomes. We found a modest but significant decrease in chronic absenteeism when

comparing scholarship-participating children to a sample of similar children. However, we found no differences in kindergarten readiness as assessed using the SCKRA associated with program participation. While the analytic approach of comparing children who received a scholarship to similar children who did not is helpful in isolating program effects, it is possible that the scholarship sample was different in unobserved ways (i.e. for which we do not have adequate measures) and that those differences may have either contributed to or masked meaningful program impacts. Nonetheless, the observed lower rate of chronic absenteeism suggests that this program prepares both children and parents for consistent engagement with the child's learning environment, and is consistent with prior findings (2019 evaluation) of First Steps programs conducted by IFS.

The lack of observed effect on kindergarten readiness

as assessed using the SCKRA is disappointing, but consistent with other research showing that child care scholarship (voucher) programs are not reliably associated with improved developmental outcomes. That said, lack of an observed effect of the child care scholarship program



on SCKRA performance in the sample used for this evaluation is inconsistent with prior findings from an overall evaluation of First Steps programs conducted by IFS in 2019. In the 2019 evaluation, First Steps served children who were not receiving special education services were more likely to have been categorized as demonstrating vs emerging school readiness skills in the SCKRA. In the current evaluation, we included eligibility for special education services as one criteria in the propensity score matching process and did not analyze outcomes separately for children based on special education status. In addition, we selected children for this analysis based primarily on scholarship status. Thus, it is possible that methodological differences in the analytic approach between the 2019 and current evaluation could help explain differences in findings.

For the current evaluation, we did hope to examine changes in child development over the course of participation in the scholarship program using existing data from the ASQ screening measure. However, while a total of 1226 children (76.72%) had an initial ASQ-3 assessment within the time frame noted in the program standards, over 50% of this group did not receive a second ASQ administration. Thus, we are unable to draw conclusions regarding developmental impacts of the scholarship program in this evaluation.

RECOMMENDATIONS

Based on the current evaluation, we offer the following recommendations for First Steps to consider moving forward:

- Given the substantial barriers to academic performance evident in the number and type of risk factors at the child/family level of the social ecology, further consideration of methods to target malleable risk factors among families in the scholarship program is warranted. Collection of data on risk factors assessed at the point of examining eligibility for First Steps services is commendable; that said, it will be important to use this information to provide specific referrals for community programs that can address parent/caregiver mental health, substance use, and interpersonal violence. Tracking if such referrals are made, and the outcomes of these referrals, is recommended.
- Given the substantial portion of families in the child care scholarship program who are identified as living in deep poverty, formal assessment and referral for expected challenges, such as food insecurity and housing permanence, as well as educational and vocational supports for parents/caregivers living with this level of poverty is recommended.
- Given the large portion of children in this sample (approximately 60%) who do not have a medical home, and the importance of well-child medical care for infants and young children, elevating and supporting family connections to a medical home provider is warranted.
- It is understood that First Steps is moving toward a program standard requiring that scholarships be used in conjunction with other evidence-based services for children and families. Importantly, in this sample, the majority of children and their families are also enrolled in a parenting support program. Moving forward, it will be important to clearly assess what other programs could be most beneficial to support school readiness for specific children and their families.
- It is recommended that First Steps continue to support child care centers in both enrolling in the ABC Quality Rating Improvement System and in advancing the quality of care provided. In this



evaluation, over one third of centers receiving scholarships were either not enrolled in the ABC system or were operating at a quality level of C.

- For future evaluations, it will be important to empirically evaluate whether children with child care scholarships in centers with no quality rating or who are at ABC quality level C have differences in outcomes as compared to children who were supported by scholarships to attend centers of ABC quality level B or above.
- Future evaluations of the scholarship program should consider inclusion of adult/parent level outcomes found in the extant literature, such as parent educational or vocational outcomes.
- For the current evaluation, we identified areas where data were missing or incomplete. Thus, the following recommendations are offered with regard to the quality of data obtained for the current evaluation:
 - Improvements in collection of ASQ-3 data are recommended. While a majority of children did get an ASQ (76.72%), it is understood that new program standards will require administration of the ASQ within the mandated time frame to 80% of children involved in the scholarship program. This is an important goal. We would add that consideration be given to using the ASQ-3 at least twice for each child, considering the recommendations for this instrument as a guide (i.e., at 2 months, at 4 months, then at 4-month intervals up to 24 months old, and at 6-month intervals until the child reaches 5 years of age).
 - Improvements in completion of all required data fields for children and families within the First Steps data system are needed. Data were noted to be missing, incomplete, or incorrect.

