



March 16, 2023

**Child Care Manual Procedure Letter No. 161**

**TO:** All Child Care Manual Holders  
**FROM:** Matt Damschroder, Director  
**SUBJECT:** New Step Up To Quality Exemptions for Publicly Funded Child Care

**Background**

Currently, providers operating a licensed child care program can only be eligible to provide Publicly Funded Child Care (PFCC) if their program is rated through the Step Up To Quality (SUTQ) program, unless exempt. House Bill 45 of the 134<sup>th</sup> Ohio General Assembly added two new exemptions to the SUTQ participation requirement outlined in paragraph (A) of rule 5101:2-16-09 of the Ohio Administrative Code (OAC). With the implementation of House Bill 45, certain child care programs will no longer be required to be SUTQ rated to provide PFCC.

**Implementation**

Effective the date of this letter, the following child care providers will no longer be required to participate in SUTQ to receive payment for PFCC services.

- Type A and type B family child care (FCC) home providers.
- Ohio Department of Job and Family Services (ODJFS) licensed child care centers and Ohio Department of Education (ODE) licensed preschool and school-age programs providing PFCC to less than 25 percent of the program’s capacity.

Beginning April 6, 2023, ODJFS will begin reviewing center, preschool and school-age program’s PFCC utilization to determine compliance with this exemption.

Rule 5101:2-16-09, of the OAC, is being revised to reflect these changes.

Scenario	Procedure
I am a licensed child care provider who currently does not provide PFCC services. How do I sign up to become a PFCC provider now that I meet a SUTQ exemption?	To provide PFCC services, licensed providers can begin the process in the Ohio Child Licensing and Quality System (OCLQS). This <a href="#">desk aid</a> is available to assist with this process.

<p>What is my payment if I choose to no longer be SUTQ rated?</p>	<p>Programs that withdraw from SUTQ will receive the lower payment of either:</p> <p>The provider's customary rate to the public; or</p> <p>The rate outlined in appendix A to Rule <a href="#">5101-2-16-10</a>, of the OAC, for non-rated programs in the provider's county. The payment change takes place the Sunday following the day the SUTQ withdraw is effective.</p>
<p>How do I withdraw my program from SUTQ if I meet one of the new exemptions?</p>	<p>A program can withdraw from SUTQ by submitting a <a href="#">JFS 01556</a> "Request to Withdraw from Step Up To Quality" to their licensing specialist.</p> <p>The effective withdrawal date is the date requested on the <a href="#">JFS 01556</a> or 30 days from the signature date on the <a href="#">JFS 01556</a>, whichever is later.</p>

**The following applies to ODJFS child care centers and ODE preschool and school-age programs providing PFCC services.**

<p>What if I withdraw my ODJFS child care center or ODE preschool and school-age program from SUTQ then later exceed the 25 percent PFCC service threshold?</p>	<p>The program will be notified by ODJFS that they must submit a SUTQ registration.</p>
<p>If my program's SUTQ rating was removed within the last year due to a serious risk non-compliance (SRNC) or an accumulation of moderate and SRNC points, can I still provide PFCC?</p>	<p>Yes. At the end of the exemption period stated in the ODJFS notice, the program must submit a SUTQ registration and become rated if they provide PFCC to 25 percent or more of the program's license capacity.</p>

The most recent version of the ODJFS form referenced in this procedure letter can be accessed through [Forms Central](#).

Please contact the Child Care Policy Help Desk at [childcarepolicy@jfs.ohio.gov](mailto:childcarepolicy@jfs.ohio.gov) or 1-877-302-2347, option 4, if you have any questions.