



**Child Care Manual Procedure Letter No. 125**

**TO: Child Care Manual Holders**  
**FROM: Kimberly L. Hall, Director**  
**SUBJECT: Step Up To Quality Incentive Payments.**

**Background:**

Section 5104.31 (C) of the Ohio Revised Code (ORC) requires that beginning July 1, 2020, publicly funded child care (PFCC) services may only be provided by programs that are rated at least a 1-star in Step Up To Quality (SUTQ). Additionally, section 5104.29 (G) of the ORC requires that by June 30, 2025, all centers and Type A Homes must be rated at least a 3-star or higher in SUTQ in order to provide PFCC. Programs rated in SUTQ have a separate base rate for PFCC on which the enhanced rates for each star rating are calculated.

**SUTQ Incentives:**

In an effort to help PFCC programs: 1) become rated; 2) rated programs to increase their rating; and 3) highly rated programs to maintain their rating, ODJFS is creating a **one-time** SUTQ incentive payment. The incentive payment will be available for programs with a signed provider agreement to serve PFCC. The incentive payments will be \$4,000 for child care centers and \$2,000 for family child care home providers.

The following groups will receive an incentive payment:

<b>Program qualification</b>	<b>Payment timing</b>
1a) PFCC program that is unrated with a submitted registration for any rating as of April 15, 2019	100% once rated
1b) PFCC program that is unrated as of April 15, 2019 with a registration for any rating submitted on or before July 31, 2019	50% at registration and 50% once rated
2a) PFCC program that has a 1- or 2-star rating as of April 15, 2019 and submits a registration for a 3-, 4-, or 5-star rating on or before July 31, 2019	50% at registration and 50% once rated
2b) PFCC program that has a 1-or 2-star rating with a submitted registration for	100% once rated

a 3-, 4- or 5-star rating as of April 15, 2019	
3) PFCC program that is highly rated (3-, 4- or 5-star rating) as of April 15, 2019	100% one-time payment by June 30, 2019.

The payment will be a special payment and will be counted as program income (it will be a part of the 1099). Payments will be issued the third week of the month following the registration submission or the award of the rating.

Programs with a currently submitted registration do not need to take any action, upon the program being rated the full incentive will be paid as described above.

Please contact the Child Care Policy Helpdesk at 1-877-302-2347, option 4, if you have any questions.