



Organization	City of Lakewood, Department of Human Services/ Division of Early Childhood
Organization Type	Municipal Government
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Project/Program Name	Childcare Scholarship Assistance
Total FY26 Project Budget	\$83,629.27
FY26 CDBG Funding Request	\$66,000

**Lakewood Department of Human Services
Division of Early Childhood**

Childcare Scholarship Assistance Program

CDBG Eligibility Criteria

Lakewood Department of Human Services/Division of Early Childhood's **Childcare Scholarship Assistance Program** satisfies the following CDBG eligibility criteria and therefore is suitable for funding consideration.

CDBG National Objective

Low-Moderate Income Limited Clientele (LMC): Activities that benefit either a specific group of persons, at least 51% of who are documented as low moderate-income or a clientele presumed by HUD to be principally low moderate-income.

CDBG-Eligible Activity Category

Public Services: The provision of public services including labor, supplies, materials, and the pro rata share of the facilities where these services are provided.

HUD-Designated Performance Objective

Create Suitable Living Environments

HUD-Designated Performance Outcomes

Availability & Accessibility

I. ABSTRACT

The City of Lakewood's Department of Human Services/Division of Early Childhood respectfully requests \$66,000 in FY2026 CDBG funding to support its Child Care Scholarship Assistance Program, a vital initiative that helps working and student parents afford quality childcare.

This program provides 50% tuition scholarships for Lakewood children whose families meet the following criteria:

- Reside within the City of Lakewood
- Are not eligible for Cuyahoga County's publicly funded childcare due to income thresholds
- Fall below HUD's low-moderate income limits
- Have parents who are employed or enrolled in high school, college, or vocational training

Enrollment is first-come, first-served, based on available CDBG funding. All childcare providers must be licensed and located in Lakewood. The program is administered by a dedicated Program Manager, who handles outreach, application review, income verification, provider coordination, and financial oversight—including regular audits to ensure attendance and billing accuracy.

This is more than a financial aid program, it is an economic and social investment. The Scholarship Program empowers parents to advance their careers or education while providing their children with safe, nurturing, and developmentally appropriate care which lays a foundation for long-term academic and community success. At the same time, the program drives local economic impact by channeling funds to Lakewood childcare providers and enabling parents to maintain stable employment thus strengthening household stability and boosting local tax revenues. This funding request represents a strategic commitment to supporting families, strengthening our workforce, and investing in the future of Lakewood's children.

II. PROJECT NARRATIVE

1. Community Needs Addressed

For nearly three decades, the Lakewood Early Childhood Scholarship program has assisted families in Lakewood grappling with the steep costs of childcare. This support is crucial. When working parents cannot afford childcare, they face difficult choices that can significantly impact their family's quality of life. These range from inadequate care leaving children unprepared for school to riskier alternatives like children being left unsupervised or placed with unqualified caregivers.

Ohio's Publicly Funded Child Care (PFCC) requires families to earn 145% of the Federal Poverty Level (FPL) or less to initially qualify—about \$3,220 per month or \$38,643 annually for a family of three. Once enrolled, families can remain eligible as their incomes rise to 300% of FPL, roughly \$77,460 annually, though any interruption (such as a job gap) may force them to requalify under the 145% threshold. Families within the 145%–200% FPL range may qualify for the Child Care Choice Voucher Program, and those with preschool-aged children earning up to 200% FPL may be eligible for the Early Childhood Education. Anyone outside these limits must pay the full cost of childcare which is a significant burden. Across Ohio, annual daycare costs range from \$9,000 to \$24,000, with infant care often reaching \$900–\$2,000 per month and toddler care \$750–\$1,500 per month. This places childcare expenses at a substantial portion of a single parent's household budget. For someone earning \$20/hour (around \$41,600/year), these costs exceed widely accepted affordability thresholds and yet they remain ineligible for aid under current state limits.

Lakewood's network of 10 childcare providers remains in high demand, often with waitlists, especially as more young families move into the area. The Division of Early Childhood plays a vital role in coordinating among providers, ensuring timely payment through the scholarship program and supporting providers through staffing and operational challenges. In a city where demand often outstrips supply, preserving every available slot is essential.

Overall, the Lakewood Early Childhood Scholarship program continues as a lifeline for both families and childcare providers, addressing urgent financial hurdles while striving to sustain quality care and capacity in the community.

2. Primary Goals & Objectives

- a) To support lower-income Lakewood parents in their effort to maintain stable employment and/or complete their education by subsidizing the cost of childcare.
- b) To provide Lakewood children of lower-income parents who are working or completing their education with high quality, developmentally appropriate childcare that improves their literacy skills, preschool readiness, and school success.
- c) To ensure that Lakewood childcare centers receive fair, market rate payment for their services from families that cannot afford the full cost on their own.

3. Program Design, Uniqueness & Innovation

The childcare industry in the United States faces many challenges, including affordability, accessibility, and quality of care. The pandemic made these challenges worse, but they were already present before COVID-19. Some of the issues include:

- Cost - Childcare can be expensive, and in some states, it costs more than in-state college tuition. This can make it difficult for parents to work and afford quality care for their children.
- Staffing shortages - Childcare professionals have left the field due to low wages, lack of benefits, and layoffs during the pandemic. This makes it hard for programs to accommodate the number of children they may have the physical capacity for.
- Limited public funding - Childcare doesn't receive the same level of government funding as other types of education, so costs are often passed on to families and providers.

The Lakewood Childcare Scholarship aims to address the needs of parents and childcare centers by reducing the cost of care for parents while ensuring guaranteed and fair compensation for childcare centers. This assistance helps improve or maintain the quality of childcare programs in the city. Additionally, the program provides resources and referrals to parents who contact the Division, either by phone or in person.

The scholarship program supports families who are ineligible for county childcare subsidies. All approved applicants fall within CDBG low-moderate income guidelines and still require financial assistance to enroll their children in childcare to maintain employment or complete their education. For instance, a single mother with two children can earn up to \$71,550 per year and receive a 50% scholarship, enabling low- and moderate-income Lakewood parents to afford childcare and remain employed. Without this support, parents risk job loss, increased poverty, and their children may face unstable or inadequate care.

On average, parents approved for the scholarship earn about \$16 per hour. Most are single mothers with one or two children. A full-time working mother with a gross monthly income of \$2,773 does not qualify for childcare, housing, or SNAP assistance. Without help, she could spend over \$1,000 per month—36% of her gross pay—on childcare. The scholarship program lowers this cost to 18% of her gross pay, a substantial improvement, though still above the U.S. Department of Health & Human Services' recommended guideline of 10%.

This approach of providing "work support" through financial assistance helps families move out of poverty and into a stable middle class. Both parents and childcare workers benefit from reduced turnover, and the community gains from children who are better prepared for kindergarten and beyond. Research indicates that children benefit significantly from high-quality early childhood environments. According to economist Tim Bartik of the W.E. Upjohn Institute for Employment Research, investing in early childhood education is one of the most cost-effective ways to enhance the skills of future workers.

Under this program, approximately 20-25 Lakewood children who receive childcare in type B family home daycare or licensed childcare centers would receive assistance. These families cannot afford the full cost of childcare and do not qualify for county assistance. Eligible families must meet HUD's low-moderate income guidelines and are registered on a "first-come, first-served" basis. All participating families are either working, in school, or in job training to improve their quality of life. Families choose their preferred childcare facility from ten licensed centers or family home providers affiliated with Cuyahoga County or the USDA Family Child Care Home program. CDBG funds are paid directly to the provider on behalf of the family each month.

To ensure eligibility, the recipient's financial status is evaluated annually in person, and scholarships are adjusted as necessary. A current file is maintained for each scholarship client. The Program Manager conducts periodic, random site visits to daycare centers to verify child attendance records.

This scholarship project is an innovative effort by Lakewood leadership. Early Childhood Professionals identified a gap where some families did not qualify for county assistance but still struggled to afford childcare. Since its inception, the program has assisted hundreds of children, allowing parents to remain employed or further their education while their children receive high-quality, regulated childcare. This program promotes positive self-esteem, personal productivity, responsibility, and pride among parents. Lakewood childcare centers benefit from regular payments and reduced classroom turnover, which in turn benefits the community through increased participation in the local economy and higher local income tax revenues.

4. Target Population(s)

This program is targeted toward any Lakewood family that meets the minimum requirements of residency, uses a licensed Lakewood childcare center or type B family day care home while they work or attend school, and whose income qualifies as low to low-moderate according to HUD guidelines.

5. Geographic Service Area

City of Lakewood

6. Services Provided & Delivery Strategy

- a) Market the program to the community through local print media, childcare providers, City of Lakewood website, and social media.
- b) Respond to inquiries about the program via phone, e-mail or in person.
- c) Conduct initial screening of each potential applicant to verify residency, income, and employment/student status. Based on results, the application process is initiated, a referral is made to County, or ineligibility is determined.
- d) Coordinate with childcare providers on behalf of individual scholarship recipients to set up scholarship and establish monthly billing process.
- e) Maintain all required client documentation (proof of residency, tax returns, current employment verification, and demographic data).
- f) Contact recipients and conduct reverification process annually.
- g) Prepare and submit monthly accomplishment report on number of clients served and demographics of client base to City's Development Officer.

7. Outreach Strategy & Efforts

The Division of Early Childhood will continue to reach out to parents via social media, City of Lakewood website, and through childcare center staff. Our move to the highly visible Cove Community Center last year puts us even more in the public eye and we continue to develop increasing programming that will bring families through the doors.

8. Community Partnerships & Stakeholders

Staff will continue to partner with Lakewood childcare centers to promote the scholarship program and help parents with the application process. Regular contact with the centers is maintained through the monthly Lakewood Early Childhood Professionals meeting which is attended by most of the centers and preschools in Lakewood.

The Healthy Lakewood Foundation has also provided emergency funds to ensure that the program was able to meet its current obligations.

9. Project Staffing (add rows if/as necessary)

Title	Hours/Week Devoted to Program	% CDBG Funded	Qualifications & Responsibilities
Program Manager	8	0	Screens applicants and verifies annual income, prepares monthly reports, schedules parent meetings, refers to appropriate greater community resources, evaluates worthiness of scholarship program, makes recommendations for program guidelines revisions as needed.

10. Implementation Schedule (add rows as necessary)

Milestone	Completion Deadline
Respond to inquiries and accept applications for scholarship assistance	Ongoing
Contact childcare providers to set up scholarship process	Ongoing/As Needed
Invoice for services provided	Monthly
Prepare CDBG reports and submit to Development Officer	Monthly, Quarterly & Annually

11. Projected Beneficiaries (January 1 – December 31, 2026)

	Persons	Households
Total Unduplicated Persons & Households to be Served	20-25	15-25
Unduplicated Low-Moderate Income* Persons & Households to be Served	20-25	15-25

*<80% Area Median Income

12. Program Evaluation (data collection & analysis, outcome measurement procedures & methodology)

The number of participants in the program, as tracked by staff, serves as a measure of the number of children and their respective households for which childcare services were made more affordable, and therefore accessible. Achievement of the goal of helping lower-income Lakewood parents to maintain employment or continue their education will be measured through an annual survey administered to participating parents. This survey, as well as annual proof of income, will help determine:

- Employment status and length of employment
- Changes in salary/wages
- Status of childcare
- Overall satisfaction with the program

III. FY26 PROGRAM BUDGET

i. Expenses

Expense Category	Total Project (A)	CDBG Funds(B)	CDBG % of Total (B/A)
Personnel			
Salaries	\$15,296.74		0%
Fringe Benefits	\$2,332.53		0%
Sub-Total Personnel	\$17,629.27		
Overhead & Operations			
Rent/Lease			
Insurance			
Materials & Supplies			
Professional Services			
Postage			
Travel			
Utilities/Telephone			
Insurance			
Equipment			
Other: Child Care Costs	\$66,000		100%
Sub-Total Overhead & Ops	\$66,000		100%
Total Project Costs	\$83,629.27		100%

ii. Funding Sources

Source	Requested	Committed	Total
Department Funds	\$17,629.27	\$17,629.27	\$17,629.27
CDBG FY25-FY26 CDBG Carry Forward Funds (est)			
Other (Non-CDBG) Federal			
State			
Local			
County			
Private (Foundations, Individuals, Other)			
Earned Revenue/Fees			
In-Kind/Volunteer (@ \$15/Hour)			
FY26 City of Lakewood CDBG Funding Request	\$66,000		\$66,000
Total Funding Sources	\$83,629.27	\$17,629.27	\$83,629.27

IV. FY26 BUDGET NARRATIVE

1. How will City of Lakewood CDBG funds will be utilized to support the proposed program.

All CDBG funds awarded go directly to the childcare centers to pay for children's care.

2. How will the proposed program function if the agency does not receive the full amount of requested funding.

Receiving less funding results in less families being served and/or a reduction in the percentage of cost the scholarship can pay.

3. Describe the agency's efforts to develop/leverage other sources of funding to support the proposed program.

The Division of Early Childhood is a one person division operating on a very small budget. We continuously look to community partners to expand our offerings and rely on generous donations from the individual donors and organizations to keep the Lakewood Family Room operating. Over the years, we have received funding from Target, Kiwanis, and Healthy Lakewood Foundation among others.

The Division continuously seeks to develop and leverage additional sources of funding to support our programs. Given the increasing costs of childcare in mid-2024 we approached the Healthy Lakewood Foundation for further financial assistance. Recognizing the urgent need to continuing to make high-quality childcare affordable for families that were already enrolled in the program, we were generously awarded \$30,000 for the remainder of 2024 and \$25,000 for 2025.

This program is unique to Lakewood and is only possible with the support and funding of CDBG and community dollars. We feel strongly that this is the sort of program that makes Lakewood a desirable place to raise a family.