



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 FY27 Project Budget	\$116,748
FY27 CDBG Funding Request	\$70,000

**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 \$70,000 in FY2027 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 publicly funded childcare from the State of Ohio
- Have parents who are employed or enrolled in high school, college, or vocational training
- Qualify as low or low-moderate income according to HUD guidelines

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 ensuring attendance and billing accuracy.

This is more than a financial aid program; it is an economic and social investment. The 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, our workforce, and investing in the future of Lakewood's children.

II. PROJECT NARRATIVE

1. Community Needs Addressed

For the last 30 years, the Lakewood Early Childhood Scholarship program has assisted families in Lakewood grappling with the steep costs of childcare. 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 \$3,301 per month or \$39,614 for a family of three in 2026. Once enrolled, families can remain eligible as their incomes rise to 300% of FPL, roughly \$82,000 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 program. Anyone outside these limits must pay the full cost of childcare which is a significant burden. Across Ohio, annual childcare cost ranges from \$9,000 to \$24,000 (per child!) with infant care often reaching \$900-\$2000 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 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 children 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. Over the last five years these challenges have become exponentially worse. Some of these 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 does not receive the same level of government funding as other types of education, so costs are often passed on to families and providers.

The 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 supports families who are ineligible for one of the state's assistance programs but are still considered low-moderate income under the CDBG program and still require financial assistance to enroll their children in childcare to maintain employment or complete their education. For example, a single mother with two children can earn up to \$75,600 per year and receive a 50% scholarship, enabling low- and moderate-income Lakewood parents to afford childcare and remain unemployed. 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 guidelines 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.

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 checks to verify child attendance records. Families choose their preferred childcare facility from any licensed provider within the City of Lakewood.

This scholarship project is an innovative effort by Lakewood leadership. Ohio has the lowest income cap in the US for publicly funded 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 provider 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, email, 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 scholarships and establish monthly billing process.
- e) Maintain all required client documentation.
- f) Contact recipients and conduct reverification process annually.
- g) Prepare and submit required reports 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 has put us 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 providers to promote the scholarship program and help parents with the application process. Regular contact with the centers is maintained through the Lakewood Early Childhood Professionals meeting which is attended by most of the centers and preschools in Lakewood.

9. Project Staffing)

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

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, 2027)

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

*<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

13. Additional data/information that strengthens the division's case for CDBG funding support.

Most families reach this program through their childcare center. The Division's Program Manager works directly with the centers and preschools operating in Lakewood, so when a center has a family who cannot cover tuition, the staff there know to send that family to her. That referral path is what makes the CDBG dollars work. It puts the scholarship in front of a parent at the moment they are deciding whether to pull a child out of care, and it keeps a paid slot filled at a center that would otherwise carry the vacancy.

The second referral path is families new to the community. Through the Lakewood Family Room and programming at Cove Community Center, the Program Manager meets families before they have chosen a provider, and often before a child is born. The Family Room recorded 3,669 check-ins in 2025, and more than 300 families came through Division programming that year. Those relationships, along with the Lakewood Early Childhood Professionals Consortium, mean the Division does not have to advertise its way to eligible applicants. Families arrive referred, and usually already connected to a licensed Lakewood provider, which shortens the time between application and a child being in care.

That is why the full amount requested converts to services. Every CDBG dollar passes through to a licensed Lakewood provider as tuition, and the City absorbs the cost of administering the program. The Division secured a \$25,000 System Change Grant from the Healthy Lakewood Foundation in 2024 for the scholarship (now exhausted), but CDBG remains the only sustained source of tuition dollars. The scholarship pays half of a provider's actual daily rate, so as tuition rises the same award covers fewer children for fewer months. Enrollment closes once the available funds are committed.

III. FY27 PROGRAM BUDGET

i. Expenses

Expense Category	Total Project (A)	CDBG Funds(B)	CDBG % of Total (B/A)
Personnel			
Salaries	\$15,753.92		0%
Fringe Benefits	\$2,402.51		0%
Sub-Total Personnel	\$18,156.43		0%
Overhead & Operations			
Rent/Lease			
Insurance			
Materials & Supplies			
Professional Services			
Postage			
Travel			
Utilities/Telephone			
Insurance			
Equipment			
Other: Child Care Costs	\$70,000	\$70,000	100%
Sub-Total Overhead & Ops	\$70,000	\$70,000	100%
Total Project Costs	\$88,156.43	\$70,000	80%

ii. Funding Sources

Source	Requested	Committed	Total
Department Funds	\$18,156.43	\$18,156.43	\$18,156.43
CDBG FY26-FY27 CDBG Carry Forward Funds (est)			
Other (Non-CDBG) Federal			
State			
Local			
County			
Private (Foundations, Individuals, Other)			
Earned Revenue/Fees			
In-Kind/Volunteer (@ \$15/Hour)			
FY27 City of Lakewood CDBG Funding Request	\$70,000.00		\$70,000
Total Funding Sources	\$88,156.43	\$18,156.43	\$88,156.43

IV. FY27 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 providers.

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 individual donors and organizations to keep the Lakewood Family Room operating. Over the years, we have also received grant funding from Target, Kiwanis, and Healthy Lakewood Foundation among others. 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.