



**Cover Sheet**

<b>Organization</b>	City of Lakewood, Department of Human Services/ Division of Early Childhood
<b>Organization Type</b>	Municipal Government
<b>Address</b>	12400 Madison Avenue, Lakewood, OH 44107
<b>Contact Person &amp; Title</b>	Jessica Parker, Programs Manager
<b>Phone</b>	216-529-5018
<b>Email</b>	Jessica.Parker@lakewoodoh.net
<b>Department Director</b>	Toni Gelsomino
<b>Federal Tax ID #</b>	34-6001633
<b>DUNS #</b>	020629093
<b>Project/Program Name</b>	Childcare Scholarship Assistance
<b>Total FY19 Project Budget</b>	\$82,099.68
<b>FY19 CDBG Funding Request</b>	\$78,000.00

### **Abstract**

The City of Lakewood's Department of Human Services/Division of Early Childhood respectfully requests \$78,000 in Fiscal Year 2019 CDBG funding to support the costs of its Childcare Scholarship Assistance Program ("Scholarship Program"). Under the Scholarship Program, the City's Division of Early Childhood will provide financial assistance to parents located within Lakewood on behalf of 35-40 qualifying children. To be eligible, parents must meet the following qualifications:

- Family must reside within the City of Lakewood for at least one year
- Family has a household income that is just above 130% of federal poverty level, and is therefore ineligible to participate in Cuyahoga County's day care voucher program
- Family has a household income that is below HUD's moderate-income guideline
- Parents must be either working or attending school (high school or beyond)

Parents are enrolled into the program on a first come-first served basis, with the number of families served each year determined by the available amount of CDBG funding. Depending on the household income, families are eligible for a 40% or a 50% scholarship. The Division of Early Childhood's Program Manager is responsible for marketing the program, responding to inquiries, screening applicants for eligibility, enrolling clients into the program, and monitoring for income eligibility and day care enrollment status of the child(ren). Program participants must use a Lakewood childcare provider that is licensed by the State of Ohio. The Program Manager works directly with each childcare provider to explain the program and establish the monthly invoicing procedure for each family's scholarship funds and conducts regular audits of center records to verify attendance and billing.

Among parents, the Scholarship program promotes positive self-esteem; nurtures personal productivity and responsibility; and instills pride and self-worth. Participants are empowered to continue to move forward, either professionally or educationally. The program also ensures that children are placed in safe and developmentally appropriate environments, preparing them for greater school and community success. There are also spillover benefits to the community. The funds are directed to Lakewood childcare centers. As Lakewood parents maintain employment, the household's participation in the local economy increases, as do local income tax revenues.

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

**Childcare Scholarship Assistance**

**CDBG Eligibility Criteria**

*Lakewood Department of Human Services/Division of Early Childhood's Childcare Scholarship Assistance Program* satisfies the following eligibility criteria and is therefore suitable for CDBG 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 (e.g. battered spouses, senior citizens).

**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 Outcome**

Availability/Accessibility

**Applicant Narrative**  
**Lakewood Division of Early Childhood**

**1. Mission**

To strengthen and support families raising young children by providing supportive services and resources which enhance parenting skills, to provide resource and referral in accessing Early Childhood program services, to increase the supply of affordable and high quality childcare, to provide childcare scholarship assistance for low income families, and to connect families to each other and our community.

**2. Geographic Service Area**

The City of Lakewood, 44107 zip code.

**3. Target Population**

Parents and caregivers of children aged birth through twelve.

**4. Programs & Services**

Childcare assistance is just one way Lakewood's Division of Early Childhood provides support to parents, childcare centers and service providers both in and outside of the community. The Division advocates for the expansion of childcare spots for county voucher recipients and all Lakewood families needing childcare. We participate in monthly meetings with the Lakewood Early Childhood Professionals group to share information, promote best practices and provide training to the city's childcare workforce. Daily drop-in programs promote literacy and provide community support to families of young children.

**5. Number & Demographic Profile of Clients Served (FY17)**

856 unduplicated parents/caregivers and children were served in 2017. The Division of Early Childhood collects demographics for participants in the scholarship program, but that data is not gathered for other universal family support programs offered by the Division.

**6. Qualifications To Implement Proposed Project**

The Division of Early Childhood has nearly twenty five years working with parents and childcare centers in Lakewood. This proposal is to continue a successful project that has been part of the city's services since 1995. Current staff brings a Bachelor's degree, 71 hours of graduate level courses in Early Childhood Education and over ten years of administrative experience to the division and project.

**7. FY19 Budget**

*Expenses*

<b>Expenditure Type</b>	<b>Amount</b>	<b>% Budget</b>
Salaries & Fringe Benefits	\$65,669.75	51%
Operating Costs	\$1,725.00	1%
Capital Costs		
Indirect Costs		
Other: Childcare Scholarships	\$62,400.00	48%
<b>Total Annual Budget</b>	<b>\$129,794.75</b>	<b>100%</b>

*Revenue (top 3 sources)*

<b>#</b>	<b>Source</b>	<b>Amount</b>	<b>% Budget</b>
<b>1</b>	General Fund	\$ 51,794.75	40%
<b>2</b>	CDBG	\$ 78,000.00	60%
	<b>Total</b>	<b>\$129,794.75</b>	<b>100%</b>

**8. Capacity to Serve Non-English-Speaking Persons**

The Program Manager speaks Spanish. For other language interpretation needs, the Department of Human Services maintains a list of community members who speak foreign languages, or will utilize interpreters from the International Services Center.

**9. Do your facilities comply with ADA accessibility requirements?**    Yes  No

## Project Narrative

### 1. Unmet Community Needs & Service Gaps Addressed

Over the past 30 years, child care costs have grown nearly 60 percent faster than the average cost of food, housing and transportation. Yet federal and state spending is currently below 2010-2011 levels. Total Ohio spending for early childhood education has remained stagnant for nearly a decade and is split between publicly funded child care subsidies, Ohio Head Start and early childhood education grants.

Child care subsidies, or vouchers, are distributed through the Cuyahoga County Department of Employment and Family Services. A family must earn less than 130% of the federal poverty level to qualify under this program giving Ohio the dismal designation of having the third lowest threshold in the country. Only two states make it harder to qualify for assistance than Ohio. Once a family has initially qualified their income can increase up to 300% of poverty and still receive some assistance, however, if a family has any interruption in work, they must return to the initial qualification level of 130%. Families are often denied vouchers if they have work that fluctuates. Rather than average for the year, one paycheck with extra pay in the form of overtime or commission can end up disqualifying a family. Families that earn just over this 130% are left without assistance and often face a tough decision. Is work worth it?

In the Cleveland metro area, a family with one child can expect childcare to be one of the top three expenses. If a family has two children, childcare becomes the number one budget item taking up more than 17% of the total household costs. This is despite the recommendation of the U.S. Department of Health and Human Services who have stated that childcare is affordable only if it costs no more than 10% of a family's income. In Lakewood the average cost of full time care (see Attachment C) for any age child before they enter Kindergarten is over \$10,000 a year making it more expensive than the in-state tuition rate for Cleveland State University.

According to Policy Matters Ohio, the public sector must step in to address the three main problems with childcare in our nation:

1. Childcare is expensive.
2. Childcare is often low quality.
3. The childcare system is complicated to navigate.

The Lakewood Childcare Scholarship seeks to address these gaps by not only reducing the cost of care for parents, but providing childcare centers with guaranteed and fair compensation and assistance that can help improve and/or maintain quality programs in our city. The third challenge is faced by providing resources and referrals to the hundreds of parents that contact the division either by phone or in person at one of our programs.

### 2. Target Population & Outreach Efforts to Potential Beneficiaries

This program is targeted toward any Lakewood family that meets the minimum requirements of residency, uses a 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. Outreach efforts are primarily made through the Lakewood Family Room (both in person and through social media outlets), childcare centers, and elementary schools.

### 3. Geographic Service Area

City of Lakewood, 44107 zip code.

#### 4. Primary Goals & Objectives

- To support lower-income Lakewood parents in their effort to maintain stable employment and/or complete their education by subsidizing the cost of childcare.
- 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.

#### 5. Activities Undertaken/Services Provided & Delivery Strategy

- Market the program to the community through local print media, childcare providers, City of Lakewood website, social media and both branches of the Lakewood Public Library.
- Respond to inquiries about the program via phone, e-mail or in person.
- 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.
- Coordinate with childcare providers on behalf of individual scholarship recipients to set up scholarship and establish monthly billing process.
- Maintain all required client documentation (proof of residency, tax returns, current employment verification, and demographic data).
- Contact recipients and conduct reverification process annually.
- Prepare and submit monthly accomplishment report on number of clients served and demographics of client base to City's Development Officer.

#### 6. Program Design (*emphasize uniqueness and/or innovation*)

The purpose of Lakewood's program is to serve those families who are just above the 130% of poverty income level and thus denied childcare subsidies from the county. All approved applicants are still within CDBG low-moderate income guidelines and, therefore, are still greatly in need of financial assistance to enroll their child(ren) in childcare in order to maintain employment or complete their education. With this program, a single mother with two children can earn up to \$41,864/year and receive a 50% scholarship. It effectively enables low- and moderate-income Lakewood parents to stay employed by maintaining the affordability of childcare. Without this assistance, parents are at risk of losing their jobs and falling further into poverty and children are at risk of receiving low quality care, being shuffled from center to center when parents can no longer afford the bill, or worse being left alone.

The average hourly wage of the parents currently approved for the scholarship is \$15.61/hour. The typical family served is a single mother with one or two children. Let's look at her budget. Working full time her gross rate is \$2,705.73 per month. She also will not qualify for any housing assistance or SNAP (food stamps). Policy Matters Ohio recommends raising the threshold to 200% of poverty. This would put Ohio close to the 2/3 of median income threshold that the Pew Center defines as between low and middle class. That's what the scholarship does. If mom needs to pay the full rate for her infant she will need to spend \$1,002.93/month. That's 37% of her gross pay. With the childcare scholarship she is expected to pay 50% of the bill to the center while CDBG funds pay the remainder. Her burden is now reduced to 19% of her gross pay, still far exceeding the 10% guideline of the U.S. Department of Health & Human Services, but a huge step in the right direction.

This “work support” approach to engaged empowerment with financial support contributes to families moving out of poverty and into a more stable middle class. Employers of both the parents and childcare workers see less turnover and the community benefits from children who are prepared to enter Kindergarten and beyond. Research shows that children benefit greatly from a high quality early childhood environment. According to economist Tim Bartik of the W.E. Upjohn Institute for Employment Research, “If you want to increase the average skills of your workers 20 years from now, one of the most cost-effective ways of doing that is investing in early childhood education.”

Under this request, approximately 35-40 Lakewood children who receive childcare in either a type B family home day care or a licensed childcare center would receive assistance through the Lakewood Childcare Scholarship. These families are unable to afford the full cost of childcare without this assistance, and as explained, do not qualify for assistance under the County’s program.

The amount of the scholarship depends upon the family’s income level, the number of children, and the age of those children. Attachment C describes the costs of childcare in Lakewood. Depending upon income level, families are eligible for a 40% or 50% scholarship (see Attachment D).

As stated, eligible families must meet HUD’s low-moderate income guidelines, and are registered in the program on a “first-come, first-served” basis. **One hundred percent of these families are working, in school, or in job training** that will enable them to enhance the quality of their own lives. As part of the registration process, the family selects the childcare facility in Lakewood of their choice. Options include: eleven licensed childcare centers, seven licensed school-age childcare programs, one Montessori program and family home care providers who are affiliated with Cuyahoga County or a USDA Family Child Care Home program. CDBG dollars are paid directly to the provider each month on behalf of the participating family.

In order to monitor for eligibility, the recipient’s financial status is evaluated annually, in person, and scholarships are adjusted accordingly. A current file of this information is kept for each scholarship client. The Program Manager makes periodic, random site visits to participating daycare centers to cross check and verify child attendance records.

In 2017 the project directly assisted 37 children with partial payments of the total cost of childcare. Of that total, 30 children qualified at low-moderate income, and 7 at low income. Of the 35 qualifying children, 30 lived in a single female headed household.

This scholarship project is an innovation of Lakewood leadership. Community Early Childhood Professionals recognized that there were often families who “fell between the cracks” and did not qualify for County assistance. And yet, these were also families who worked every day at jobs that may have been stable, sometimes offering health care, but with a wage that made it very difficult to afford all the monthly bills, particularly the rising costs associated with childcare. Since its inception this program has assisted hundreds of children, allowing parents to remain in stable employment or further their education while keeping their children in high quality, regulated childcare that prepares them for greater school success. Among parents, this scholarship program promotes positive self-esteem, nurtures personal productivity and responsibility and instills pride and self-worth. Lakewood childcare centers benefit from regular payment through the CDBG scholarship and less classroom turnover. In turn, the benefits spillover to the community through these centers and the continued employment of Lakewood parents whose participation in the local economy increases, as do local income tax revenues.



**7. Staff Responsible for Program Administration & Implementation**

Job Title	Hours/Week Devoted to Program	% CDBG Funded	Brief Summary of Responsibilities
Program Manager	12	84% (of dedicated hours)	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.

**8. Project 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
Client satisfaction survey reviewed and revised	March
Biannual client satisfaction survey mailed, collected and data compiled	May/June
Gather data and prepare annual CDBG grant application/present to CAC	September/October

**9. Beneficiaries (January 1 – December 31, 2019)**

Unduplicated Persons Served: 35 - 40 children and their parents

Unduplicated Low-Moderate Income Persons Served: 35 - 40 children and their parents

**10. Program Evaluation**

Describe Data Collection Tools & Outcome Measurement Procedures/Methodology

Data Collection Tools: CDBG reporting forms and parent surveys

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 a bi-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

**11. Strategy for Coordination with Other City Departments & Community Partners**

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 mandatory for those centers receiving the scholarship and attended by a majority of the centers and preschools in Lakewood.

**12. Additional Information and/or Data That Will Assist Lakewood’s Citizens Advisory Committee and City Staff in Evaluating this Funding Request**

As the cost of child care continued to rise and the number of families enrolled has remained steady, the carry forward has been depleted. For the last two years we have had to waitlist families to ensure there are enough funds to meet the obligations to current families. Full funding of this request will allow the program to continue to serve families already approved and meet the needs of those who continue to apply.

**13. FY19 Project Budget**

**Expenses**

Expense Category	Total Project (A)	CDBG Funds(B)	CDBG % of Total (B/A)
<b>Personnel</b>			
Salaries	\$ 17,063.39	\$ 13,512.35	79%
Fringe Benefits	\$ 2,636.29	\$ 2,087.65	79%
<b>Sub-Total Personnel</b>	<b>\$ 19,699.68</b>	<b>\$ 15,600.00</b>	<b>79%</b>
<b>Overhead &amp; Operations</b>			
Rent/Lease			
Insurance			
Materials & Supplies			
Professional Services			
Postage			
Travel			
Utilities/Telephone			
Insurance			
Equipment			
Indirect Costs <sup>1</sup>			
Other: Child Care costs	\$ 62,400.00	\$ 62,400.00	100%
Other:			
Other:			
<b>Sub-Total Overhead &amp; Ops</b>	<b>\$ 62,400.00</b>	<b>\$ 62,400.00</b>	<b>100%</b>
<b>Total Project Costs</b>	<b>\$ 82,099.68</b>	<b>\$ 78,000.00</b>	<b>95%</b>

<sup>1</sup> Indirect costs may not be paid with CDBG funds

**Funding Sources**

Source	Requested	Committed	Total
Department/Division/Lakewood General Funds	\$ 4,099.68	\$ 4,099.68	\$ 4,099.68
CDBG FY18-19 CDBG Carry Forward (Est)			
Other (Non-CDBG) Federal			
State			
Local			
County			
Private (Foundations, Individuals, etc...)			
Earned Revenue/Fees			
In-Kind/Volunteer (@ \$15/Hour)			
Other:			
Other:			
Other:			
<b>Lakewood FY19 CDBG Funding Request</b>	<b>\$ 78,000.00</b>	<b>\$ 0</b>	<b>\$ 78,000.00</b>
<b>Total Funding Sources</b>	<b>\$ 82,099.68</b>	<b>\$ 4,099.68</b>	<b>\$ 82,099.68</b>

**Attachment A  
Cost of Childcare, Lakewood, OH  
Daily Rates**

	Bee My Baby	Brownstone	Clifton ELC	Family Life	Holy Family	Kids Advancing	Lkwd Child Care	Lkwd Comty Care	St. Peters	YMCA	Lkwd Avgs	Annual	Month
	***	***	*****	****		*	*****	***	*****	***			
<b>Infants</b>	\$46.00	\$57.00	\$44.00	\$45.00	\$52.60	\$42.00	\$49.00	\$39.00	\$42.00	N/A	\$46.29	\$12,035.11	\$1,002.93
<b>Toddlers</b>	\$44.00	\$54.00	\$40.00	\$41.00	\$50.60	\$41.00	\$47.00	\$38.00	\$41.00	\$31.40	\$42.80	\$11,128.00	\$927.33
<b>Preschool</b>	\$38.00	\$47.00	\$35.00	\$38.00	\$49.60	\$37.60	\$43.50	\$36.00	\$38.00	\$27.00	\$38.97	\$10,132.20	\$844.35
<b>PreK</b>	\$38.00	\$47.00	\$35.00	\$38.00	\$48.60	\$37.60	\$43.50	\$36.00	\$38.00	\$27.00	\$38.87	\$10,106.20	\$842.18
<b>Before</b>	N/A		N/A	\$9.00	N/A	\$13.60	N/A	\$14.00	\$11.00	\$11.00	\$11.72	\$3,047.20	\$253.93
<b>After</b>	N/A		N/A	\$10.80	N/A	\$13.60	\$13.00	\$17.00	\$15.00	\$14.00	\$13.90	\$3,614.00	\$301.17
<b>B4 &amp; After</b>	N/A	\$26.00	N/A	\$17.60	N/A	\$19.80	N/A	\$22.00	\$25.00	\$18.00	\$21.40	\$5,564.00	\$463.67

**Attachment B****2018 C.D.B.G. Scholarship Sliding Fee Scale  
(Based on HUD guidelines)**

<b># in Household</b>	<b>50% assistance</b>	<b>40% assistance</b>
2	up to 36,613	36,613-45,250
3	up to 41,864	41,865-50,900
4	up to 47,115	47,116-56,550
5	up to 51,596	51,597-61,100
6	up to 56,042	56,043-65,600
7	up to 60,523	60,524-70,150
8	up to 64,969	64,970-74,650