



Date: June 2, 2026

To: Mayor Robert Stocks, City of Watertown

From: Ben Wehmeier

Re: Employer Sponsored Care Pilot

In 2023, the City of Watertown, Maranatha University, the Watertown Area YMCA, and the Greater Watertown Community Health Foundation (GWCHF) initiated a partnership to pilot systems of Employer-Sponsored Childcare.

Goals: The pilot project goals included:

1. Offering Watertown-area employers the opportunity to provide an employee benefit that leverages matching City dollars to improve families' access to care and affordability while ultimately improving the sustainability of our local childcare businesses.
2. Provide modest financial support to reimburse childcare providers for a portion of the scholarship dollars they provide to families demonstrating financial need.

Commitments: In establishing this partnership, the following commitments were made:

- **YMCA and Kiddie Kampus:**
 - Support educator recruitment and retention by providing benefits, raising base wages and collaborating on professional development opportunities.
 - Accept Wisconsin Shares funding and provide scholarship funding to make childcare as affordable as possible for working families.
 - Developing innovative partnerships to help employers begin offering employee childcare benefits
- **Employers:** Provide an employee benefit that matches City grant dollars and supports at least 10% of the employee's childcare tuition
- **City of Watertown:** Provide a \$400,000 grant to support increased access to childcare in Watertown
- **GWCHF:** Provide additional grant funding to support start-up business planning and facility upgrades to expand the number of licensed childcare slots available. Employ Early Childhood Education Coach to provide professional development for educators across the region. Manage distribution of the City's grant dollars.

Progress Update: In its first 9 quarters, this pilot project served more than 50 families and provided stabilizing financial support for two licensed childcare centers (Kiddie Kampus and YMCA). In total, 8 employers are providing childcare benefits and funding that matches City dollars. Employer Sponsored Care funding is supporting 29 children per quarter. Since 2023-Q4, \$235,973 of the \$400,000 has been distributed (\$111,908 to the YMCA and \$124,064 to Kiddie Kampus) per the distribution schedule in Appendix A.



Additionally, a goal of this project was to ensure economically disadvantaged families are able to utilize this funding along with state WI Shares funding to access childcare. We have been successful in this regard. These Watertown providers served an average of 23 children through the WI Shares program each quarter.

Capacity Barriers: Since 2021, GWCHF has provided \$5.7 million in grants and programmatic investments to support the creation of 532 new licensed childcare slots across Dodge and Jefferson Counties. As we celebrate the success of building new childcare capacity, we acknowledge that during this time multiple childcare centers have closed. Since this pilot was initiated, Watertown added 253 new slots (YMCA 126 and Trinity St. Lukes (75) and Gingerbread (52). Over the same period, we've lost 226 slots from the closing of the YMCA (126), Lady Bug (30), and Mary Lindsmeier (70). Once Gingerbread gets its second location up to capacity, Watertown's net gain will be approximately 150 new childcare slots.

At this time, a shortage of early childhood educators is limiting providers' ability to operate at full capacity. GWCHF continues to invest in development of the early education workforce in partnership with Madison College. To date, this partnership has provided tuition scholarships to train 122 Dodge and Jefferson County residents as new early childhood educators.

Next Steps: Watertown's Gingerbread Preschool and Childcare will be opening up a second location in June, 2026, in the Collective space formerly operated by the YMCA. We recommend the remaining \$164,027 City of Watertown grant funding be used as follows with an expectation that funding will be fully dispersed by June, 2027:

- Kiddie Kampus: Continue quarterly grant payments of approximately \$16,000 per quarter to match Employer contributions and support scholarships for families in need.
- Gingerbread: Allocate \$66,000 of the City's grant funding to support start-up rent subsidy during the first year of operation.



Appendix A: City Grant Distribution Schedule

2023		
	YMCA	Kiddie Kampus
Q1	N/A	N/A
Q2	N/A	N/A
Q3	N/A	N/A
Q4	\$14,887.40	\$8,400
Agency Total	\$14,887.40	\$8,400
Total 2023		\$23,287.40
2024		
	YMCA	Kiddie Kampus
Q1	\$17,864.75	12,850.80
Q2	\$21,575.30	\$15,081.40
Q3	\$23,055.35	\$13,542.10
Q4	18,997.05	13,336.20
Agency Total	\$81,492.45	\$54,810.50
Total 2024		\$136,302.95
Cum. Total	\$96,379.85	\$63,210.50
2025		
	YMCA	Kiddie Kampus
Q1	\$15,528.90	13,474.20
Q2	N/A	\$14,859.20
Q3	N/A	\$16,344.00
Q4	N/A	\$16,176.35
Agency Total	\$15,528.90	\$60,853.75
Total 2025		\$76,382.65
Cum. Total	\$111,908.75	\$124,064.25
Total investment to date:		\$235,973.00