
Memo

To: Finance Committee
From: Mayor McFarland
Date: May 5, 2023
Re: ARPA Child Care Disbursement

Dear Committee Members,

As you recall, several months ago the Finance Committee and Common Council approved the attached ARPA spending allocation plan. Today, we are bringing to committee the disbursement of the child care allocation.

Child care was an identified allocation in the spending plan because it allowed an avenue for the city to be more deeply involved in workforce preparedness. We know that there is a child care desert in the city of Watertown, and we know that access to quality early care and education correlates to higher educational attainment, higher workforce participation, higher median home values, higher median incomes and so on. Additionally, in doing business retention and expansion visits, one of the areas identified by our businesses for assistance was greater access to affordable child care.

In response to that call for action by our business community, the YMCA, Greater Watertown Community Health Foundation and the City have been working diligently for over two years to prepare a model of sustainable, employer sponsored child care. In this model, early care professionals are paid a realistic living wage (\$15/hr minimum) and provided full benefits. Both items are not commonplace; most early care professionals are in the \$10-\$12/hr range. The lack of this level of pay and these benefits leads to higher turnover.

Another need that we've heard from employers and residents is greater access to newborn and toddler spots in a center. Under this model we are doubling the number of infant and toddler slots available in the current YMCA setting.

Also in this model is an employer sponsored child care option; this allows an employer to participate in the cost of care for their employees. Employers can do this by reserving slots or paying for a portion of their employees' care expenses. We've rolled out this concept with a variety of area employers and have some that are highly interested and committed.



We know that the “take up” of a pilot can identify needs, and this is where our allocation is beneficial. Through this restricted allocation, we are supporting the need for a period of time, while employers and other funders come on board. Our need for child care is pressing now; a recent study showed there is a decline in workforce participation, and there is a gap in child care availability. In both Dodge and Jefferson County there are about 5,000 (in each county) children under 5 years old, and only slots for about 1,500 children each. In a survey of Dodge and Jefferson County parents/guardians, 72% missed work because of child care issues, 50% have been late to work because of child care issues, 45% have been unable to work overtime, and 17% left their job. This allocation from the city will provide the foundation for us to begin to turn some of these statistics around.

I am pleased with the work the YMCA, foundation, and the city has done. In addition to the YMCA child care center, Maranatha Baptist University’s Kiddie Kampus, has also agreed to offer the option of employer supported child care. This summer the new YMCA center will open in the Collective, and with the support of Kiddie Kampus and the new YMCA center, we will begin to chip away at the severe need affecting our workforce. This once in a generation funding has the opportunity to impact a generational problem.

If you have any questions, please reach out.

Thank you,

Mayor McFarland