

MEMORANDUM

To: Whitewater Common Council

From: John S. Weidl, City Manager

Date: December 3, 2025

Subject: Early Childhood Education and Care Center (ECEC) Partnership and Proposed Location – Clarification of Record and Community Benefit

Council Members,

I am writing to address comments made during last night's meeting asserting that partnering with the Early Childhood Education and Care Center (ECEC) initiative and the University of Wisconsin-Whitewater, including consideration of the Innovation Center as a location, is a "bad idea." I respectfully disagree and believe that statement mischaracterizes both the community need and the strategic value of this project. This memo clarifies the factual record and the policy rationale for continued City support.

The ECEC responds to a documented regional childcare shortage with measurable economic consequences.

Walworth County has been formally identified as a childcare desert. A UW-Whitewater Fiscal and Economic Research Center study prepared for the Walworth County Economic Development Authority found that families of more than 2,500 children cannot reasonably access care and that the economic impact of this gap exceeds \$77 million annually. This is a structural market failure affecting parents, employers, and community growth. The ECEC project directly addresses that deficit by increasing capacity and quality in a way that available private markets have not.

Childcare capacity is a workforce and business-recruitment necessity, not a secondary social service.

Reliable, high-quality childcare is a prerequisite for consistent labor force participation. When care is unavailable, parents reduce hours, decline advancement, or exit the workforce. Employers evaluating Whitewater routinely cite childcare access as a barrier to recruitment and retention. Expanding high-quality slots strengthens labor supply, improves shift coverage for existing employers, and removes a key obstacle to new business location or expansion decisions. This is core economic development infrastructure.

The center itself is a direct job creator with sustained payroll and secondary impacts.

A high-quality 100-child center will require substantial staffing based on Wisconsin Department of Children and Families ratio standards and best-practice quality benchmarks. A mixed-age enrollment model typically generates approximately:

- 15 classroom staff per shift to meet ratios across age groups,
- ~1.6–2.0 FTE per position to cover full-day operations, planning time, break coverage, and continuity,
- plus leadership, administrative, kitchen, and support roles.

A reasonable, conservative range is 30–35 full-time equivalent (FTE) jobs directly tied to ongoing ECEC operations. That payroll remains local, circulating through housing, retail, services, and taxes. In addition, the center's annual non-payroll purchases (food, supplies, maintenance, professional services, utilities, and contracted support services) generate indirect and induced economic activity. This is sustained, year-over-year economic output, not a one-time bump.

The endowment model is fiscally strong, minimizes levy exposure, and benefits the broader community.

The \$10 million gift from Billie and Steve Moksnes is invested through the Whitewater Community Foundation and designed to generate an estimated \$500,000 per year for ECEC operations in perpetuity, contingent on maintaining five-star DCF ratings and NAEYC "accreditation+." This approach provides durable operating support without shifting costs onto the City levy. As with community foundation practice, a portion of investment earnings remains with the Foundation, strengthening its ability to support additional community grants and priorities over time. This is precisely the kind of high-impact private investment that reduces fiscal risk rather than increases it.

Partnership with UW–Whitewater improves program quality, staffing stability, and long-term sustainability.

The University is not a peripheral stakeholder. UW–Whitewater has an established Children's Center model, deep faculty expertise, and statewide prominence in early childhood education, ESL/bilingual instruction, and special education. A close partnership provides:

- a practical training and internship pipeline,

- a continuous quality-improvement environment akin to a “living-learning laboratory,”
- stronger professional supports for staff recruitment and retention, and
- structural capacity to maintain top-tier accreditation standards over time.

In a childcare sector facing staffing shortages and closures nationwide, these advantages are not theoretical—they are risk mitigation.

Site evaluation should be evidence-based, not framed as a rejection of the partnership itself.

Site evaluation must be grounded in objective criteria and treated as a separate question from the validity of the City–University–ECEC partnership. It is appropriate to assess potential sites for access, safety, cost, transportation, compatibility with surrounding uses, and long-term facility needs. But disagreement about a location does not support the conclusion that the partnership is flawed. The partnership exists to solve a documented childcare and workforce gap, and that rationale stands regardless of which specific building is selected.

On its merits, the Innovation Center is a strong candidate. The building already supports education- and workforce-aligned uses. It currently houses Cooperative Educational Service Agency 2 (CESA 2), a regional public education support agency serving 74 school districts across southern Wisconsin and working in partnership with school districts, universities, and businesses to improve student learning and district capacity. The presence of CESA 2 is relevant because it demonstrates that the Innovation Center is already an appropriate and functioning home for child-, family-, and education-centered organizations. Locating the ECEC in a building with an existing educational service mission is consistent with current use and community purpose, not a departure from it.

From an operational standpoint, the Innovation Center offers concrete advantages that reduce both cost and implementation risk. The facility includes discrete units with individual access, elevator service supporting full ADA accessibility, and established parking capacity with accessible spaces. These features matter for a childcare operation. They are necessary for safe daily drop-off and pick-up, accessible circulation for families and staff, and efficient use of space without requiring a full ground-up build. In other words, the site already contains several of the physical conditions that a high-quality early childhood center must have.

It is also important to keep roles and process clear. The ECEC leadership team is actively evaluating spaces. They will be presenting directly to the Council at the December 16, 2025 meeting to brief you on two things: first, the ECEC initiative and its documented value to the community; second, their potential interest in the Innovation Center as one of the locations under consideration. Because the City owns the Innovation Center, Council input on suitability and terms is appropriate. That discussion should be framed as a site-selection evaluation within a sound, evidence-based partnership, not as a substitute argument against the partnership itself.

Next steps and Council engagement.

Members of the Early Childhood Education and Care Center (ECEC) leadership team will provide a formal presentation directly to the Council at the December 16, 2025 meeting. That presentation will offer additional program detail, site considerations, governance structure, and implementation timelines. Until that briefing occurs, I encourage Council members to reserve judgment on location claims and to anchor discussion in the documented childcare need and communitywide benefits.

Conclusion.

The Early Childhood Education and Care Center (ECEC) initiative is a strategic, data-supported response to a regional childcare shortage that is constraining workforce participation and business growth. The project pairs a historic private endowment with an operational model designed to sustain high-quality care, expand access by at least 100 slots, and generate long-term local employment and economic activity. It also leverages the University's proven early childhood education framework and training pipeline to strengthen staffing, curriculum quality, and program stability over time. For these reasons, continuing the City-University-ECEC partnership and evaluating the Innovation Center as a potential site is a prudent, forward-looking course of action that directly advances Whitewater's long-term economic development, family support, and community competitiveness objectives.

Respectfully,



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