

CHILD, TEEN, AND ADULT CARE IS ECONOMIC POLICY

Iowa families depend on accessible childcare and disability services to remain in the workforce. Hand in Hand provides inclusive services that fill critical gaps in our region. However, current funding structures do not reflect the true cost of care.

THE CHILDCARE REALITY

75%

Of Iowa children have all available parents in the workforce.

41%

of Iowa Childcare programs report staffing shortages that limit availability

11-16%

of family income is spent on childcare.

21%

of Licensed Childcare Centers in Iowa have closed since 2022.

\$1.1 Billion

Economic loss in Iowa due to Iowa's childcare gap

53,000

women have left the Iowa workforce since 2020, due to lack of care. Many more women who qualify for jobs cannot seek them due to care challenges.

EARLY CHILDHOOD EDUCATORS ARE THE WORKFORCE BEHIND THE WORKFORCE

ACCESS

- 40% of our early childhood families rely on Childcare Assistance (CCA) and CCA reimbursement is about 35% lower than private pay tuition.
- Scott County and Bettendorf are both considered **childcare deserts, meaning there are far more children than available licensed childcare slots.**
- In total we raised \$517,901 to support childcare operations and ensure accessible care for children of all abilities.

SUPPORT NEEDS

- 20% of children in our early care classrooms need additional support. None of these children receive Medicaid waiver funding to offset staffing costs.
- 51% of all children we serve need additional support and extra staffing; only 38% of those children receive waiver support.
- In one year, we saw a **29% increase** in children needing one-to-one support in childcare and a **28% decrease** in those with waiver funding.



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DISABILITY SUPPORTS

Hand in Hand provides Home and Community-Based services (HCBS) to help children and adults with disabilities live independently outside of institutional settings. Examples of services include Supported Community Living (SCL), Respite, Dayhab, and Supported Employment. These services are federally mandated to be less costly than facility-based care and are essential to avoiding inexpensive and undesired institutional placement.

3X

the number of times more likely parents of children with disabilities will miss work

\$0.58

\$1 of care in 2019 only covers \$0.58 of care today.

0

alternative inclusive child-to-adult group care providers in our region comparable to Hand in Hand.

COMMUNITY PROVIDERS ARE THE FOUNDATION OF DISABILITY SERVICES

RATES

Unlike skilled nursing facilities, hospitals, and state resource homes, HCBS service rates are not automatically reviewed or adjusted and only change when the legislature takes specific action. Without predictable rate updates, providers of job coaching, day programs, and respite care are reducing hours, shrinking services, or exiting the market, **even though these community services are more cost-effective and prevent higher-cost institutional placements.**

ESTABLISHING REGULAR, PREDICTABLE HCBS RATE REVIEWS ALLOWS PROVIDERS TO PLAN RESPONSIBLY, STABILIZE COMMUNITY SERVICES, AND DELIVER COST-EFFECTIVE SUPPORT THAT ALLOWS PEOPLE TO LIVE AND THRIVE IN THEIR OWN COMMUNITIES.

NEEDS

Parents are telling us they need a full-day, reliable Dayhab option that aligns with a standard workday. Current state limits cap reimbursement at 4.25 hours, even though programs operate longer, which makes expansion financially unsustainable and leaves families without adequate coverage. Without the ability to fund an 8-hour day, parents are forced to reduce work hours or consider higher-cost residential options that no one prefers.

ESTABLISHING REIMBURSEMENT FOR A FULL-DAY PROGRAM IS A COST-EFFECTIVE SOLUTION THAT ALLOWS PARENTS TO REMAIN IN THE WORKFORCE WHILE ENSURING INDIVIDUALS WITH DISABILITIES HAVE THE SUPPORT THEY NEED TO GROW, ENGAGE, AND THRIVE IN THEIR COMMUNITIES.



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WHAT WE ARE ASKING FOR

- Establish regular HCBS rate reviews, with a 3% increase this year
- Allow reimbursement for full-day Day Habilitation
- Strengthen Childcare Assistance reimbursement and workforce investment
- Require at least 30 days advance notice before Medicaid funding ends to prevent eligibility gaps and unrecoverable costs, and recognize Relias as a state-supported learning management system to streamline training and compliance.

Stability. Predictability. Partnership.

WHO WE ARE

Hand in Hand serves children and adults of all abilities in the Quad Cities. We provide early care and education, inclusive child care, summer camp, recreation, and social and day habilitation services for children, teens, and adults with disabilities. We fill critical gaps in our region by creating inclusive spaces where people are supported, valued, and empowered to thrive..

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MEMBERSHIP & DATA

Hand in Hand is a member of the Iowa Association of Community Providers (IACP) and the Iowa Childcare Coalition (ICCC) to support policy that impacts our community members. Stable childcare and disability services are workforce policy, family policy, and economic policy. Data and information are drawn from these sources, as well as the National Association for Education of Young Children.

Iowa families depend on accessible child care and disability services to remain in the workforce. Hand in Hand provides inclusive services that fill critical gaps in our region, strengthen the local economy by supporting working parents and caregivers, and prevent more costly institutional and crisis-based interventions.

WHEN CORE PUBLIC SUPPORTS ARE WEAKENED



STABILITY OF MEDICAID, SNAP, AND PUBLIC FUNDING

Medicaid and SNAP are not abstract policy debates for our community. Many of the families we serve and many of our staff rely on these programs for basic health care and food access. When these systems change, the impact is immediate.

SNAP

- SNAP supports approximately 150,000 people in the River Bend Food Bank region
- Beginning in 2026 and 2027, changes include:
- Expanded work requirements for adults ages 18–64 without a child under 14
- Removal of certain exemptions
- Increased state administrative cost responsibility
- Restrictions that limit benefit growth even if food prices rise

Every \$1 in SNAP generates about \$1.50 in local economic activity. When eligibility tightens or benefits shrink, families experience instability and local businesses feel the ripple effects.

MEDICAID

Medicaid funds Home and Community-Based Services and essential health coverage. Work requirements for the Medicaid expansion population will require 80 hours per month of work, school, or volunteering. Evidence from other states shows coverage loss often occurs because of administrative complexity, not lack of compliance with new rules. State estimates suggest 34,000–39,000 Iowans could lose coverage.

When coverage is lost:

- People still need care
- Safety-net providers and the community absorb costs
- Administrative burden increases
- Families face delays and instability

Reducing coverage does not reduce the need for medical care, it shifts the cost to our community.

ADMINISTRATIVE RATE CAPS

Many state grants limit the percentage that can be used for administrative costs. While intended to ensure efficiency, artificially low administrative caps often fail to reflect the real cost of compliance, supervision, documentation, and safety requirements. This creates programs that appear funded on paper but are structurally underfunded in practice. Nonprofits must then rely on private philanthropy to subsidize basic operations.

The Quad Cities is generous, but philanthropy cannot replace stable public systems.

WHY THIS MATTERS

Hand in Hand has long filled gaps where public funding does not fully cover the cost of care. Approximately one-third of our budget comes from charitable donations. We are already seeing philanthropic dollars shift toward food insecurity and crisis response as safety net programs tighten.

When public systems underfund essential services like health care and food access, local foundations and donors are asked to absorb those costs.

When philanthropy is forced to cover structural government gaps, fewer resources remain for inclusion, enrichment, education, workforce development, and community-based supports that make life meaningful.