



# Senate

General Assembly

**File No. 19**

February Session, 2026

Substitute Senate Bill No. 266

*Senate, March 11, 2026*

The Committee on Children reported through SEN. MAHER, C. of the 26th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT LIMITING THE ACCESS OF PRIVATE EQUITY TO FUNDS FROM THE EARLY CHILDHOOD EDUCATION ENDOWMENT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 10-512d of the 2026 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2026*):

4 For the fiscal year ending June 30, 2026, and each fiscal year  
5 thereafter, the Commissioner of Early Childhood may expend, in  
6 accordance with the provisions of section 10-512c, funds released by the  
7 Treasurer from the Early Childhood Education Endowment, pursuant  
8 to section 10-512b, to any early care and education program providing  
9 child care services, as described in section 19a-77, or preschool program  
10 operated by a local or regional board of education that is (1) receiving  
11 financial assistance under Early Start CT pursuant to section 10-550b, (2)  
12 participating in the quality improvement system established by the  
13 Office of Early Childhood under subdivision (15) of subsection (b) of  
14 section 10-500, and (3) participating in the Child and Adult Care Food

15 Program, 42 USC 1766, as amended from time to time, unless such  
 16 program has received a waiver from participation in said program by  
 17 the Commissioner of Early Childhood or is a public school preschool  
 18 program that offers free or reduced priced lunches pursuant to federal  
 19 law and regulations, except the commissioner may not expend such  
 20 funds to any private equity entity until such funds have been expended  
 21 to all other such early care and education programs and preschool  
 22 programs. As used in this section "private equity entity" means an  
 23 individual or publicly traded or nonpublicly traded company that (A)  
 24 collects capital investments from individuals or entities; and (B)  
 25 purchases a direct or indirect ownership share of an early care and  
 26 education program described in this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	10-512d

**KID**      *Joint Favorable Subst.*

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*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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### **OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

### **Explanation**

The bill, which has no fiscal impact, requires the Office of Early Childhood to prioritize all other qualified childcare and preschool programs for funding from the Early Childhood Education Endowment before providing funds to programs owned by private equity entities.

### **The Out Years**

**State Impact:** None

**Municipal Impact:** None

**OLR Bill Analysis****sSB 266*****AN ACT LIMITING THE ACCESS OF PRIVATE EQUITY TO FUNDS FROM THE EARLY CHILDHOOD EDUCATION ENDOWMENT.*****SUMMARY**

This bill limits the early childhood commissioner's ability to give funds from the Early Childhood Education Endowment to an otherwise qualified child care or preschool program owned by a private equity entity unless available funds were already given to all other qualified child care or preschool programs. Under the bill, a private equity entity is an individual or publicly traded or nonpublicly traded company that (1) collects capital investments from individuals or entities; and (2) buys a direct or indirect ownership share of an early care and education program.

Under PA 25-93, §§ 3 & 4, each year the early childhood commissioner must spend the funds released from the endowment for purposes specified in law, including early childhood care and education program expansion and health insurance subsidies for program employees.

Qualified programs include any (1) state-licensed early care and education program providing child care services or (2) local or regional school board preschool programs (a) receiving financial assistance under Early Start CT program; (b) participating in the Office of Early Childhood (OEC) quality improvement system; and (c) participating in a federal food subsidy program, unless the OEC commissioner waives the requirement or the program is a public school offering free and reduced price lunches under federal law.

EFFECTIVE DATE: July 1, 2026

**COMMITTEE ACTION**

Committee on Children

Joint Favorable Substitute

Yea 12 Nay 5 (03/03/2026)