

Committee on Children JOINT FAVORABLE REPORT

Bill No: SB-266 / [Bill Status](#) / [Public Hearing Testimony](#)

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

Vote Date: 3/3/2026

Vote Action: Joint Favorable Substitute

PH Date: 2/24/2026

File No.:

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

The Committee on Children

CO-SPONSORS OF BILL:

Sen. Anwar, 3rd District

REASONS FOR BILL:

This bill seeks to grant priority funding from the Early Childhood Education Endowment to childcare providers that are not backed by private equity firms. It attempts to address concerns with the impacts of private equity on childcare, which include the quality of childcare and the service cost to families and communities. Through this prioritization, the Committee hopes to maintain state funding for providers that engage in more stable business practices.

SUBSTITUTE LANGUAGE (IF APPLICABLE):

LCO 2432: This language amends the definition of “private equity company.” The change allows for definitional consistency with existing statutes.

RESPONSE FROM ADMINISTRATION/AGENCY:

[The Commission on Racial Equity in Public Health, Associate Commission Analyst Muna Abbas:](#) The Commission and Ms. Abbas emphasize that this approach promotes equitable access to affordable childcare, supports women-led and community-based providers, and prevents profit-driven childcare centers from exacerbating costs for low-income families.

NATURE AND SOURCES OF SUPPORT:

Senate Majority Leader Sen. Bob Duff, 25th District: Sen. Duff strongly supports SB 266, and states that limiting private equity access to Early Childhood Education Endowment funds protects small, independent childcare providers and ensures state resources prioritize families, children, and local businesses. He cites private equity's profit-driven practices and higher bankruptcy risk as threats to affordability, workforce stability, and community well-being.

Senate President Pro Tempore Sen. Martin Looney, 11th District: Sen. Looney highlights that private equity-owned childcare centers often prioritize profit over quality, pay lower wages, and charge families more. He emphasizes that the bill ensures Endowment funds are prioritized for small, community-based businesses to protect families, employees, and local providers.

The Connecticut Early Childhood Alliance, Executive Director Merrill Gay: Mr. Gay asserts that limiting private equity access to Endowment funds ensures that public investment in early childhood remains focused on children, families, and long-term societal returns rather than profit extraction. He cites past private equity failures in Connecticut, emphasizing that these funds should generate public benefits, not enrich investors.

Connecticut Voices for Children, Research & Policy Associate Ruchi Sheth, M.A.: CT Voices for Children and Ms. Sheth argue that limiting Endowment funds to private equity-backed programs until all other programs are funded helps prioritize public investment for community-based providers. They emphasize that private equity's profit-driven model can lead to higher costs, lower staff wages, instability, and reduced childcare quality, and assert that public dollars should first support local families, educators, and programs serving low-income communities.

Northeast Connecticut Childcare Needs Project (NCCN), Project Manager Maggie Francis-Gietzen, Ed.D.: NCCN and Ms. Francis-Gietzen support SB 266, stressing that funding should prioritize local, independently owned early childhood programs. She argues that this sequencing of public investment stabilizes community-based providers, preserves critical capacity, and strengthens the long-term resilience of Connecticut's childcare system.

NATURE AND SOURCES OF OPPOSITION:

Learning Care Group, Government Relations Manager Jenna Borkoski: Ms. Borkoski and Learning Care Group, which operates Tutor Time centers in Connecticut, testify that funds should not be withheld by the Endowment from certain providers based solely on ownership structure, rather than the families served or the quality of care provided. The organization argues that this policy would reduce access to subsidized care for families, limit funding for educator wages and professional development, and hinder childcare center expansion in childcare deserts, ultimately worsening Connecticut's childcare crisis.

KinderCare Learning Companies, Senior Manager of Government Relations Margot Grant Gould: KinderCare and Ms. Gould assert that restricting Endowment funds based on ownership structure would limit access to high-quality, subsidized care for families in under-resourced communities. She emphasizes that funding should prioritize family and community

needs rather than corporate structure to support expansion, stability, and equity in Connecticut's childcare system.

The Nest Schools, Chief Operating Officer Haylee Marcuccio: Ms. Marcuccio states that restricting Endowment funds based on private equity ownership unfairly limits provider capacity and parental choice. She stresses that quality care, access, and stability depend on measurable standards and accountability—not a provider's capital structure.

Early Care and Education Consortium, Assistant Executive Director Sage Schafel: The Consortium contends that limiting Endowment funds based on ownership structure would reduce access to high-quality care, hinder providers' ability to serve low-income families, and exacerbate waitlists. They emphasize that families prioritize quality, safety, and affordability—not ownership—and urge the legislature to preserve access and support expansion.

Reported by: Mia Giglietti and Zachary Robinson Date: 3/10/2026