



General Assembly

Amendment

February Session, 2026

LCO No. 5377



Offered by:

SEN. HARDING, 30th Dist.

SEN. KISSEL, 7th Dist.

SEN. PERILLO J., 21st Dist.

To: Subst. Senate Bill No. 266

File No. 19

Cal. No. 47

(As Amended by Senate Amendment Schedule "A")

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

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 10-512d of the 2026 supplement to the general
4 statutes is repealed and the following is substituted in lieu thereof
5 (*Effective October 1, 2027*):

6 (a) For the fiscal year ending June 30, 2026, and each fiscal year
7 thereafter, the Commissioner of Early Childhood may expend, in
8 accordance with the provisions of section 10-512c, funds released by the
9 Treasurer from the Early Childhood Education Endowment, pursuant
10 to section 10-512b, to any early care and education program providing
11 child care services, as described in section 19a-77, or preschool program

12 operated by a local or regional board of education that is (1) receiving
13 financial assistance under Early Start CT pursuant to section 10-550b, (2)
14 participating in the quality improvement system established by the
15 Office of Early Childhood under subdivision (15) of subsection (b) of
16 section 10-500, and (3) participating in the Child and Adult Care Food
17 Program, 42 USC 1766, as amended from time to time, unless such
18 program has received a waiver from participation in said program by
19 the Commissioner of Early Childhood or is a public school preschool
20 program that offers free or reduced priced lunches pursuant to federal
21 law and regulations, except the commissioner may not expend such
22 funds to any such early care and education programs or preschool
23 programs for which a private equity entity has a controlling interest
24 until such funds have been expended to all other eligible early care and
25 education programs and preschool programs, provided the
26 commissioner has determined there are no other eligible entities to
27 provide such early care and education programs and preschool
28 programs and the private equity entity otherwise meets all of the office's
29 applicable application standards. As used in this section, (A) "private
30 equity entity" means any entity that collects capital investments from
31 individuals or entities and purchases, as a parent company or through
32 another entity that the private equity entity completely or partially owns
33 or controls, a direct or indirect ownership interest of an early care and
34 education program or preschool program; (B) "indirect ownership
35 interest" has the same meaning as provided in 42 CFR 455.101, as
36 amended from time to time; and (C) "controlling interest" means the
37 direct or indirect power to direct the management and policies of an
38 early care and education program or preschool program, whether
39 through ownership of voting securities, contract or other means.

40 Sec. 2. Section 10-512k of the 2026 supplement to the general statutes
41 is repealed and the following is substituted in lieu thereof (*Effective July*
42 *1, 2026*):

43 (a) The Treasurer, on behalf of the Early Childhood Education
44 Endowment and for purposes of the endowment, may:

- 45 (1) Receive and invest moneys in the endowment in any instruments,
46 obligations, securities or property in accordance with section 10-512l;
- 47 (2) Enter into one or more contractual agreements, including
48 contracts for legal, actuarial, accounting, custodial, advisory,
49 management, administrative, advertising, marketing and consulting
50 services for the endowment, and pay for such services from the assets
51 of the endowment;
- 52 (3) Procure insurance in connection with the endowment's property,
53 assets, activities or deposits to the endowment;
- 54 (4) Apply for, accept and expend gifts, grants or donations from
55 public or private sources to enable the endowment to carry out its
56 objectives;
- 57 (5) Adopt regulations in accordance with chapter 54 for purposes of
58 (A) section 3-13c, sections 10-512 to 10-512l, inclusive, and section 10-
59 531b, and (B) not later than July 1, 2027, the expenditure of funds
60 pursuant to section 10-512d, as amended by this act;
- 61 (6) Sue and be sued;
- 62 (7) Establish one or more funds within the endowment; and
- 63 (8) Take any other action necessary to carry out the purposes of
64 section 3-13c, sections 10-512 to 10-512l, inclusive, and section 10-531b
65 and incidental to the duties imposed on the Treasurer pursuant to said
66 sections.
- 67 (b) The Treasurer, on behalf of the endowment and for purposes of
68 the endowment, shall enter into a memorandum of understanding with
69 the Commissioner of Early Childhood to establish information-sharing
70 practices for purposes of section 3-13c, sections 10-512 to 10-512l,
71 inclusive, and section 10-531b. Such memorandum of understanding
72 shall be in accordance with applicable state and federal laws."

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2027</i>	10-512d
Sec. 2	<i>July 1, 2026</i>	10-512k