

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Health & Human Services.

HB25-1011 be amended as follows:

1 Amend printed bill, page 2, before line 2 insert:

2 **"SECTION 1. Legislative declaration.** (1) The general
3 assembly finds that:

4 (a) Colorado families need and deserve an abundance of
5 high-quality, affordable child care options, and such a system benefits
6 Colorado children, parents, communities, businesses, and the state
7 economy;

8 (b) Large for-profit child care center chains backed by
9 institutional investors have been proliferating in Colorado, and these child
10 care center chains have a profit maximization motive distinct from
11 nonprofit, community-based, or small noninstitutional investor-backed
12 for-profit child care programs;

13 (c) Child care center chains have, at times, engaged in
14 profit-driven actions contrary to the best interests of staff, enrolled
15 families, and the health of Colorado's overall child care system. These
16 actions include targeted or sudden closures of child care sites and real
17 estate transactions that harm the financial position of child care sites.

18 (d) As more public funding becomes available to support
19 Colorado's child care system, expansion of child care center chains is
20 likely and may result in the capture of public dollars for the private gain
21 of investors;

22 (e) The government has long taken an active role in establishing
23 guardrails against profit-maximizing behavior by private businesses,
24 particularly those in which there is a strong public interest, such as private
25 educational institutions, hospitals, banks, and airlines;

26 (2) Therefore, the general assembly declares that it is necessary to:

27 (a) Define large for-profit, institutionally backed child care center
28 chains as a distinct class of child care program; and

29 (b) Establish guardrails that mitigate profit-maximizing behavior
30 in child care, including preventing child care center chains from:

31 (I) Levying excessive ancillary fees, such as wait list fees;

32 (II) Not being transparent about the full price of services;

33 (III) Forcing sale-leaseback arrangements that enrich investors,
34 leaving child care sites with unnecessary debt; and

35 (IV) Conducting mass layoffs or site closures without reasonable
36 notice to staff and enrolled families."

37 Renumber succeeding sections accordingly.

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