

HB25-1011

Private Equity Acquisition of Child Care Center

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BACKGROUND

In Colorado, the **increasing involvement** of *institutional investment entities* in **child care services** has raised concerns about **affordability, transparency, and accessibility**. These entities often acquire multiple centers, leading to potential disruptions in staffing, pricing, and overall service delivery. The bill aims to address these concerns by implementing safeguards for child care centers owned by institutional investors, ensuring they operate in the public interest when receiving state funding.

WHAT THIS BILL DOES

FEE LIMITS

- **Caps** waitlist fees at **\$25** per family.

PRICE TRANSPARENCY

- **Requires** centers to **post** and **update accurate child care pricing** on their websites.

CENTER OWNERSHIP AND OPERATIONS PROTECTIONS

- **Ensures** the child care center **retains ownership** of the property it operates on.
- **Mandates** a **60-day advance notice** to employees and families if institutional investors **plan to lay off staff** or **change enrollment policies** following a center acquisition.

SCOPE

- **Applies ONLY** to institutional investment entities owning **5+** child care centers.

WHY DO WE NEED THIS BILL?

01 AFFORDABILITY

High waitlist fees create barriers for families. A \$25 cap ensures fair access.

02 TRANSPARENCY

Families need clear, updated pricing to make informed decisions about child care services.

03 STABILITIES & CONTINUITY

Sudden changes in staffing or enrollment policies disrupt families and employees. A mandatory notice period provides stability and time for adjustment.

04 COMMUNITY-CENTERED APPROACH

Prioritizing child care center ownership and operation stability supports local communities over corporate profit-driven models.

05 STATE OVERSIGHT

Ensuring that state-funded child care centers adhere to these regulations promotes accountability and better use of public funds.