

House Health & Human Services

02/18/2025 Upon Adjournment

HB25-1011 Private Equity Acquisition of Child Care Centers

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Paula Gruentzel For themselves	I SUPPORT this bill.
Elizabeth Moran For The Arc of Colorado	<p>Dear House Health & Human Services Committee –</p> <p>My name is Elizabeth Moran, Executive Director at the Arc of Colorado. I'm testifying in support of HB25-1017 Olmstead Protections for Coloradans.</p> <p>If Olmstead is already a landmark federal law why is this particular piece of state legislation so important?</p> <ul style="list-style-type: none">• According to legal experts, the Olmstead decision, which guarantees the right to community-based care for people with disabilities, is considered to be at risk of being overturned, particularly due to recent Supreme Court decisions, for example Loper Bright, that have shown a trend towards limiting individual rights and questioning the deference given to executive agency interpretations of laws, including those related to the Americans with Disabilities Act (ADA) on which Olmstead is based; <p>For example, as explained in pertinent part in a recent Center for Disability Rights article titled, SCOTUS Dobbs Decision Raises Serious Concerns for Future of Olmstead,</p>

	<p>“In overturning Roe and Casey, the Supreme Court has dramatically changed course with potentially far reaching consequences. Although Justice Alito’s decision asserted that Dobbs would not affect other rights, Justice Clarence Thomas asserted that “in future cases, we should reconsider all of this Court’s substantive due process precedents”. He cited three specific cases the Court should go back and reconsider providing a roadmap for reversing the rights established in those cases:</p> <ul style="list-style-type: none">▪ Griswold v. Connecticut which established the Constitutional right to marital privacy in regard to contraception;▪ Lawrence v. Texas which determined that a Texas statute making it a crime for two persons of the same sex to engage in certain intimate sexual conduct was unconstitutional; and▪ Obergefell v. Hodges which determined that the right to marry was a fundamental liberty protected by the Constitution. <p>Although Justice Thomas didn’t cite the case, the same premise was used in Loving v. Virginia to determine that a Virginia ban on inter-racial marriage was also unconstitutional.</p> <p>Just as these rights and a women’s right to get an abortion were affirmed in Supreme Court decisions, the right of people with Long Term Service and Support (LTSS) disabilities has been entirely underpinned by Olmstead. With the Supreme Court having overturned 50 years of Constitutional precedent under Roe, it is clear that any deference to precedent that the Supreme Court might have shown to Olmstead is also stone-cold dead. That means individuals with LTSS Disabilities are just one Supreme Court decision away from the freedom and bodily autonomy of being taken away.”</p> <ul style="list-style-type: none">▪ While there is currently no direct legal challenge to overturn it, the integration mandate set forth in Olmstead is primarily based on federal regulations, not a specific statute, which makes it more vulnerable to potential legal challenges. This, coupled with the Supreme Court has recently expressing skepticism regarding "Chevron deference," which means giving significant weight to agency interpretations of laws, could reasonably – and negatively – impact how the Department of Justice enforces Olmstead.
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	<p>As a reminder...</p> <ul style="list-style-type: none">• Over 625,000 Coloradans live with one or more disability, and the proportion of individuals with disabilities and those who are aging in Colorado is growing.• More than 1-in-4 Coloradans (26.4%) who earned less than the Federal Poverty Level (FPL) were unable to work due to a disability and the unemployment rate for people with disabilities in Colorado is more than double the unemployment rate of people without disabilities, who rely on home and community based services and supports that Olmstead guarantees;• It has been 35 years since the landmark Americans with Disabilities Act (ADA) was signed into law, establishing a comprehensive national mandate for the elimination of discrimination against individuals with disabilities, yet barriers to equity in access to housing, transportation, healthcare, employment, and independent living remain for Coloradans with disabilities. <p>Our elected officials and leadership in positions of decision-making power must continue to demonstrate Colorado’s already deep roots in support of the disability rights movement and commitment to future progress, liberty, justice, and equity for all Coloradans remain strong.</p> <p>We must ensure that even IF the rights of Coloradans with disabilities who rely on the Long Term Service and Support (LTSS) - those entirely underpinned by Olmstead - are abolished by what could be one Supreme Court decision...Coloradans will maintain their rights to freedom, bodily autonomy, home and community based services that allow ALL Coloradans to live, love, work, play, pray, and truly be a part of the community of THIER choosing... rights that are currently under the very real risk of being taken away.</p> <p>Thank you for supporting this important piece of legislation.</p> <p>Kind regards, Elizabeth</p>
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HB25-1011: Private Equity Acquisition of Child Care Centers

Health & Human Services Committee

Feb. 18, 2025

- Good morning, Chair Brown and committee members.
- My name is Alison May, and I am representing KinderCare Learning Companies and our 38 high-quality child care centers and 35 Champions before/ after school sites, serving over 5,500 children, 30% of whom participate in the Colorado Child Care Assistance Program or CCCAP. KinderCare is committed to serving families from diverse backgrounds and income levels.
- KinderCare has taken an opposed position on HB25-1011. We appreciate the sponsors and recognize them as the early care and education (ECE) champions of the General Assembly but feel that this bill is in search of a problem that does not exist. It diverts attention from solving pressing issues like access to affordable, high-quality, child care, for Coloradoans.
- First, there are myths associated with private equity, or investor backed, child care and I'd like to dispel some of those by highlighting our commitment to serving all families and our dedication to health, safety, and program quality for families in our state, and for the nearly 200,000 children we serve across the country.
- It's our honor to partner with the state by offering the Universal Preschool Colorado program or UPK. Each of our centers participates in UPK, offering families a full-day, year-round option for preschool in a community-based setting. Over 500 families, annually, have chosen to participate in UPK with KinderCare, helping hardworking families save more than \$6,000. Sadly, this bill throws into question Colorado's commitment to a true mixed delivery system and whether the UPK program will remain intact. Such consequences will be grim, especially for our lowest income working families.
- Health and safety standards, supporting our workforce, and ensuring our program is of the highest quality level are all important aspects to our work. National Accreditation (through NAEYC) and Colorado Shines participation are external validators of quality and require significant investment to both achieve and maintain. Close to 70% of our Colorado centers are already Colorado Shines level 4, and the others are working toward this recognition.
- KinderCare supports all staff with health benefits, a retirement plan, paid holidays, education assistance, and tuition discounts. Over the last 5 years lead teacher and assistant teacher pay have increase by 25 and 21 percent respectively in Colorado.

- Many of the families we serve choose KinderCare because of our high-quality learning environment and proprietary, research-based, early learning curriculum that is proven to prepare children for kindergarten. Our twice a year developmental assessment shows during an academic year in our program, on average, children make more progress than is expected for typical development.
- As written, we do have several concerns with this bill.
- We believe consumer protections are good for ALL families and children, but HB 1011 only protects about 10% of families in our state. For us a wait list fee, averaging \$128 in Colorado, is designed to hold a family's spot at a center if one is not available. The fee pays for our staff members who manage wait lists, provide tours, and communicate with families. We certainly agree with the goal of reducing expenses for families and would recommend the committee look at SB4, [on the Senate floor today], which would offer protections to ALL families by making wait list fees refundable.
- Misnomers around KinderCare's acquisitions exist. Over the last 5 years in Colorado, we had 8 acquisitions. These purchases support small business owners ready to retire or transition careers. Our intent is to lease and not own property because we are a child care company and not a property management company. After an acquisition our intent, always, is to retain qualified staff and provide continuity of care for all currently enrolled families. After the purchase, we invest on average \$225K toward capital improvements to enhance and upgrade the center and family experience. In terms of our retention record, after the 8 center acquisitions we did not fire or disenroll any staff or family.
- HB 1011 unnecessarily singles out a small but important part of Colorado's child care and UPK industry. KinderCare's consistent care allows parents to attend work or school and helps set young learners up for success in the K-12 system. This bill threatens to exacerbate the shortage of high-quality care for families across Colorado.
- Thank you for the opportunity to testify today. KinderCare will continue working with members of this legislative body to find real solutions to existing challenges...Solutions that best support increased access and availability to high-quality child care for Coloradans, at affordable prices, while supporting our dedicated early educator workforce.

Alison May

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