

March 31, 2025

Senator Jessie Danielson, Chair
Senator Nick Hinrichsen, Vice Chair
Colorado Senate Business, Labor, & Technology Committee

RE: Small Business Majority's support for HB 25-1011

My name is Hunter Nelson and I'm the Colorado Director for Small Business Majority, a small business organization with a mission to empower America's diverse entrepreneurs to build a thriving and equitable economy. I'm pleased to provide testimony on House Bill 25-1011, legislation that would require institutional investment entity-owned childcare centers to meet certain state requirements that better protect access to childcare for small business owners' families and their employees' families. If passed, childcare centers owned by institutional investors must provide accurate childcare pricing on their websites. Additionally, private equity-owned childcare centers must provide a 60-day notice to employees and families if they intend to lay off employees or change enrollment or eligibility requirements.

It's no secret that accessing affordable childcare is a challenge, especially for Colorado small business owners and their employees. Small Business Majority's [research](#) found that 59% of entrepreneurs said that a lack of childcare for their own children was an impediment to growing their business. A lack of childcare also causes difficulties for small business employees; 30% of small businesses have had an employee quit due to their childcare issues. These struggles underscore the importance of supporting small childcare businesses so they can provide an essential service to their communities.

Given private equity's history, practices and frequently [negative outcomes](#) in other sectors like [healthcare](#), it's important that we take action to safeguard the childcare industry. Private equity-owned businesses are more likely to decrease the quality of services they provide and lower the competitive health of local markets. Market consolidation has the potential to raise the cost of care for families, which are already [overly burdened](#) by climbing childcare costs. Therefore, we support these requirements that better protect small business owners and their employees from the rising costs that may result if private equity acquires their childcare center.

As we continue to advocate for greater public investment in Colorado's childcare industry, it's important that we safeguard it from the potential negative impacts of private equity. By passing House Bill 25-1011, we would create guardrails that would help us better protect access to childcare for small business owners and their employees.

We urge you to pass this legislation so that Colorado's entrepreneurs and workers continue to access care regardless of private equity's acquisition of their childcare center.

Sincerely,

Hunter Nelson
Colorado Director
Small Business Majority

HB25-1011: Private Equity Acquisition of Child Care Centers

Senate Business, Labor, & Technology Committee

April 1, 2025 | 2 p.m.

- Good afternoon, Chair Danielson, Vice Chair Hinrichsen, and members of the committee.
- My name is Alison May, with KinderCare in strong opposition to HB25-1011.
- In Colorado, KinderCare operates 37 high-quality child care centers and 35 Champions before/after school sites, serving over 5,500 children, 30% of whom participate in CCCAP. Additionally, we serve over 500 4-year-olds through the state's universal preschool program.
- KinderCare is committed to offering high-quality care to families from diverse backgrounds and all income levels. We prioritize participation in Colorado Shines and also seek national accreditation; just over 70% of our CO centers are already accredited with the goal of reaching 100% in the next two years, an external mark of high quality that sets us apart from others in the industry.
- Our opposition to HB25-1011 is rooted in the fact that Colorado families need and deserve an abundance of high-quality, affordable child care options; however, this bill moves our state further from accomplishing those goals. HB 1011 sets a dangerous precedent by singling out only 10% of CO's child care ecosystem based solely on ownership structure.
- Over the last five years in CO, KinderCare made eight (8) acquisitions, and we did not disenroll any families or layoff any staff afterwards. Our success is directly linked to our ability to retain staff and families. Without the acquisition the center would have closed – families would lose care and staff their job. Each early educator become eligible for health and dental benefits, retirement savings, financial support for continuing education, and discounted tuition rates to any of our centers or before/after school sites. Separately, at least \$250,000 in capital is put toward center improvements.
- Families select a child care provider based on availability, costs, curriculum, teachers and the center management team – families do not select a child care provider based on the company's ownership structure.
- KinderCare will continue working with members of this legislative body to find real solutions to support increased access and availability to high-quality child care for Coloradans, at affordable prices, while supporting our dedicated early educator workforce.
- HB 1011 is not a solution to any real problems, and I encourage you to vote no on the bill today.

Contact:

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Senate Business, Labor, & Technology

04/01/2025 02:00 PM

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 because, as we know, many child care centers have been privatized. Therefore, regulations are necessary to protect the workers and parents who enroll their children in these centers. I SUPPORT this bill
Teresa Buttler For themselves	I support this bill. Regulation of Child Care Centers is vital to the safety of our children.