General Assembly **Substitute Bill No. 266**

*February Session, 2026*

SB00266KID 030426

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

Be it enacted by the Senate and House of Representatives in General Assembly convened:

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 Section 10-512d of the 2026 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2026*):

For the fiscal year ending June 30, 2026, and each fiscal year thereafter, the Commissioner of Early Childhood may expend, in accordance with the provisions of section 10-512c, funds released by the Treasurer from the Early Childhood Education Endowment, pursuant to section 10-512b, to any early care and education program providing child care services, as described in section 19a-77, or preschool program operated by a local or regional board of education that is (1) receiving financial assistance under Early Start CT pursuant to section 10-550b, (2) participating in the quality improvement system established by the Office of Early Childhood under subdivision (15) of subsection (b) of section 10-500, and (3) participating in the Child and Adult Care Food Program, 42 USC 1766, as amended from time to time, unless such program has received a waiver from participation in said program by the Commissioner of Early Childhood or is a public school preschool program that offers free or reduced priced lunches pursuant to federal law and regulations<u>, except the commissioner may not expend such</u>

funds to any private equity entity until such funds have been expended to all other such early care and education programs and preschool programs. As used in this section "private equity entity" means an individual or publicly traded or nonpublicly traded company that (A) collects capital investments from individuals or entities; and (B) purchases a direct or indirect ownership share of an early care and education program described in this section.

| This act shall take effect as follows and shall amend the following sections: | | |
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| Section 1 | *July 1, 2026* | 10-512d |

***KID*** *Joint Favorable Subst.*