

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