CEA

Policy Brief

Review of Education Policy Research and Action

September 2026 cea.org

Private Equity in Connecticut K-12 Education

Executive Summary

Private equity investment is expanding in K-12 education. This policy brief demonstrates the threats presented by the entry of private equity actors into K-12 education—threats magnified by the impending launch of a new federal school voucher program known as the Federal Scholarship Tax Credit (FSTC) or the Education Freedom Tax Credit (EFTC). The FSTC/EFTC is estimated to cost potentially up to $100 billion annually.

Private equity is an investment model in which private equity firms pool money from institutional investors and wealthy individuals and combine it with borrowed funds to buy companies. These debt-financed acquisitions, known as leveraged buyouts, typically leave the acquired company responsible for repaying much of the debt used to finance its purchase. The firms then seek to increase the company's value through strategies such as expanding revenue, cutting personnel and other costs, restructuring operations, or making additional acquisitions. They typically seek to sell the company or their stake within several years for a profit.

State participation in the federal voucher program in the form of FSTC/EFTC risks statutorily solidifying privatization into public schools at an entirely new scale. Statutorily embedded revenue streams become potential dependable cash flow for private equity firms seeking to enter a new market or expand their footprint in it.

As evidenced in other sectors targeted by private equity firms, such as housing and healthcare, significant responsibilities can shift from trusted public and nonprofit agencies to unaccountable external firms. This is already resulting in the institutional abandonment of children and families through bankruptcies and outright sudden closures of and by private equity-backed providers.

This policy brief

- Addresses the impact of private equity investment on K-12 finances and resource allocations
- Demonstrates how private equity-backed education providers are likely to lead to diminished pedagogical, counseling, and therapeutic servicing
- Identifies program areas—with a detailed focus on special education and tutoring—that, among others, are increasingly being provided on a contractual basis to school districts by private equity firms
- Explores the new federal school voucher program, including contracting incentives and the key private equity investment firms (e.g. The Vistria Group, Leonard Green & Partners, American Securities Inc., A-Street Capital, and others) that stand to benefit from the new program
- Assesses the impact of shifting or outsourcing such services from in-district personnel to external private equity firms

The report details the following policy recommendations for state and local decision-makers to address the risks of current and potential future private equity investment in K-12 public education:

1. **Reject Participation in the Federal Tax Credit Voucher Program.** Reject the new federal voucher plan, which is a gateway to privatizing public education instructional services.

2. **Increase Transparency of BOE Contracts with Private Providers.** Make contracts readily accessible on board of education websites.
3. **Enhance District-Provided Services.** Build school districts' capacity to provide more services in-house and increase accountability for private providers.
4. **Establish Outplacement Price Controls.** Ensure that special education outplacement fees charged to school districts cannot exceed state rate schedules.
5. **Consider Educator Fair Wage Protections.** Protect against displacement of school district employees and private providers undercutting prices using non-certified staff.
6. **Require Educator Expertise in Education Service Companies.** Require boards that oversee instructional services provided to public school children to primarily consist of members with associated licensure, as done in the medical field.
7. **Regulate Special Education Provider Mergers.** Extend the reporting, monitoring, and regulating of mergers and acquisitions to special education.
8. **Prohibit School Contracts with Joint Ventures.** Restrict contracts funding joint ventures entered between nonprofit providers and for-profit firms.
9. **Expand Sale-Leaseback Prohibitions.** Prevent the practice of transferring property to entities who then lease back the property at inflated rates. The state should consider extending the ban on sale-leasebacks from hospitals to private provider K-12 associated entities, such as special education private providers. This may help prevent future overnight closures that harm children and force families and school districts to scramble. Proactively doing so may also mitigate predatory behavior from private equity-owned companies in special education.
10. **Prohibition of Noncompete-like Contractual Provisions.** Prevent contracts between vendors and school districts that disallow personnel employed by vendors and contractors from being hired directly by school districts. Such provisions inhibit school districts from building capacity to resolve shortages and make school districts increasingly reliant on private providers.

Future Considerations

1. **Assess Private Equity Control of Public Schools.** Determine how embedded private equity firms are in the delivery of public education services at the district and state levels. What is the totality of contracts and the exposure of public education to associated risks?
2. **Assess Private Equity Control of Early Childhood.** Assess the impact of private equity involvement in the early childhood birth-to-five sector and determine the potential impact on K-12 public schools. Of the ten largest childcare companies in the United States, eight are private equity-owned. The experience there could be instructive for what is on the horizon for public schools.
3. **Assess State Voucher Program Payments to Private Equity.** Assess how existing school voucher systems operating across the country are entwined with private equity. What have the effects of these been on public schools?
4. **Add Anti-Privatization and Fair Labor Safeguards to Public Pensions.** Determining how public pensions can operate with anti-privatization safeguards would further protect communities and workers from destabilizing outsourcing. More specifically, such would safeguard public pensions from being pooled into private equity funds that invest in asset-stripping privatizing enterprises that in turn dismantle public services.

Section 1 – An Introduction to the Private Equity Sector

1. A. What is Private Equity, and How Does It Work?

Private equity is an investment model in which private equity firms pool funds from various sources, including borrowed funds, to buy companies. Debt-financed acquisitions, known as leveraged buyouts, typically leave the acquired company responsible for repaying much of the debt used to finance its purchase. A key characteristic of private equity is extracting value for investors as quickly as possible.

As of 2025, private equity firms globally held approximately $24 trillion in capital assets under investment management.[1,2] Private equity firms through their operating partners[3] set the strategic direction and engage in the operations of an acquired portfolio company to extract profit through various recurring fees, cost reductions, debt financing, and other financial maneuvers. Further value is extracted by growing the overall perceived value of a portfolio company within a pre-established timeline to bring an entity to market (through sale or going public) within four to seven years.

Private equity frequently uses leveraged buyouts[I] to finance the purchase, sometimes with 80% to 90% of a purchase grounded in debt.[4] To be more specific, the private equity firm engages in the buyout of the target company. The target company—not the private equity firm—assumes the debt. This target company becomes a part of the private equity firm's portfolio. In the case of a private equity-backed K-12 private provider, heavy debt may translate into revenue serving as cash flow for servicing debt as opposed to investing in sustaining and enhancing educational services.

Private equity firms operate affiliate funds, with capital for each fund raised from institutional investors, such as pensions funds, university endowments,[5] insurance companies, family offices, and sovereign wealth funds,[6] among others. These funds typically close within a 10-to-12-year period, with financial returns thereafter made to investors.[7] Achieving such returns relies upon frequent turnover of companies bought and sold within the 10-to-12-year cycle. The result is volatility, as private equity firms hold companies for about four to seven years before selling them off for profit. Such short-term time horizons work in opposition to the long-term care and investment in children from preschool and kindergarten through high school graduation.

This means private equity firms create profit using very different, higher-risk investment behavior compared to more familiar strategies used by venture capital firms, publicly traded companies, and hedge funds.[8] This higher-risk approach also results in higher rates of bankruptcy, and according to Moody's, defaults at double the rate of other firms and growing.[9,10]

The World Cup, Hospitals, Toddlers, and Private Equity

World Cup: The most prominent recent example of private equity firms seeking to profit from nonprofits was the proposed FIFA World Cup joint venture. FIFA is a Swiss nonprofit that nearly partnered with a private equity firm run by Joshua Kushner for $20 billion.[11] As of August 2026, this joint venture appeared to be halted because of worldwide public condemnation and the threat of boycotting future World Cups by a critical mass of FIFA member countries.

Hospitals: The Duke University nonprofit hospital partnered with private equity-owned Lifepoint Health. Lifepoint-Duke joint venture hospitals have been penalized by the federal government for poor quality,[12] and one of those facilities was placed under "immediate jeopardy" by the Center for Medicare and Medicaid Services (CMS) for "plac[ing] the health and safety of recipients in its care at risk for serious injury, serious harm, serious impairment or death."

Daycare: KinderCare is majority private equity-owned company that crosses over into K-12. With over 2,700 facilities[13] serving 200,000 children,[14] KinderCare also operates afterschool K-12 programming in the form of Champions as part of its family of brands.[15] In March 2026, U.S. Senator Jeff Merkley launched an investigation into KinderCare.[16] The announcement noted that "state regulators in several states have cited KinderCare facilities for inadequate supervision, staff-to-child ratio violations, unsafe or unsanitary conditions, and failures to report or respond appropriately to alleged abuse."

[I] Leveraged buyouts were originated in 1963 by Lewis Cullman and Herb Weiner, adapting the model of debt financed transactions from real estate. Cullman applied and executed the model in what is credited as the first leveraged buyout of a company in purchasing Orkin Exterminating. As such, his investment firm, The Incubation Group, Ltd., became a kind of proto-private equity buyout fund. KKR—founded by Henry Kravis, Jerome Kohlberg, and George Roberts, hence, the acronym—popularized leveraged buyouts in the 1980s. https://www.kkr.com/about/history; Cullman, L. B., & DeGroot, R. (2004). *Can't Take it With You: The Art of Making and Giving money.* John Wiley & Sons. 1-21. https://www.thirteen.org/metrofocus/2014/04/metrofocus-chess-schools-lewis-cullman-extended-interview/

1. B. The Impact of Private Equity on Public and Nonprofit Sectors

Originally dubbed "corporate raiders" through "hostile takeovers,"[17] private equity acquisitions have long occurred in retail[18] and manufacturing. The history of takeovers includes, among others, Toys R Us[19], Red Lobster[20], and Hertz,[21] with impacts such as massive job loss, service cuts, bankruptcies, and closures. In retail, private equity takeovers lead to an almost 12% decline in employment.[22] Overall, a private equity buyout in the private sector results in an employment decline of about 10%.[23] (See graphic 1)

Private equity investment can now be found at great scale in healthcare, early childhood education, and housing—including hundreds of thousands of single-family homes.[24] More recently, private equity has entered the K-12 arena.

Vistria Group is one of numerous private equity firms[ii] investing in K-12 education and "essential industries,"[25] resulting in systemic and serious adverse effects.[26] As a bipartisan Senate Budget Committee report notes, private equity ownership of hospitals has resulted in "lower quality of care, increased transfers to other hospitals, decreased staffing, and higher prices."[27] One study found that the acquisition of 1,674 nursing homes by private equity firms resulted in increased patient mortality—an additional 22,500 deaths—[28]caused by reduction of staff, diminished quality of care, and fewer hours spent with residents.

Across hospitals, nursing homes, and other segments of healthcare, private equity ownership disproportionately correlates with bankruptcy. In 2026, Private Equity Stakeholder Project noted, "While private equity represents roughly 7 percent of the U.S. economy, private equity-owned companies accounted for 44 percent of the largest healthcare bankruptcies last year."[29] In the materials produced by numerous private equity firms, K-12 education and special education in particular are treated as falling within the healthcare sector. Private equity's practices in the healthcare sector are likely to be observed in the K-12 education sector, too.

Characteristics of Private Equity Control

1. Load target companies and agencies with debt that the private equity firm itself is not liable for repaying
2. Involvement is often hands-on by private equity firm personnel who lack professional training in the target industry or put financial performance over quality of services.
3. Use strict performance plans for management and employees that generate cutthroat cultures to elevate the valuation of companies with individualized financial incentives[30]
4. Circumvent legal liability for their portfolio companies[31]
5. Seek "scale and value extraction" to maximize revenue from target companies[32]
6. Hold a long record of corporate raiding with devastating effects on workers and communities, particularly when failing to meet pension obligations, producing poor patient outcomes in the healthcare sector, and contributing to excessive rents[33] and the current housing crisis[34,35]

Graphic 1: Anatomy of a Takeover

Leveraged buyouts are a transaction strategy used by a purchaser to acquire an asset or company through a large proportion of debt or borrowed money. Under private equity firm Cerberus Capital Management, Steward Health Care became the largest for-profit hospital chain in the United States. Cerberus acquired Steward Health Care through a leveraged buyout, and soon after selling Steward, the hospital system declared bankruptcy. In leveraged buyouts, private equity firms are often insulated from liability for the debt placed on the acquired company. The acquired company itself becomes liable for the debt.

Source: *The Pillaging of Steward Health Care: How a Private Equity Firm and Hospital Landlord Contributed to Steward's Bankruptcy* from The Private Equity Stakeholder Project.

[ii] Others include Blackstone, Apollo Global Management, Leonard Green and Partners, A-Street Capital, Serent Capital, and Veritas Capital.

Given these practices, private equity's entry into the K-12 education sector poses a new and elevated threat to the future solvency and mission of boards of education. In addition, states participating in the federal tax credit program could see an even more intensified impact of private equity on K-12 schools.

The new federal voucher program is designed to enable parents in participating states to use vouchers for purposes beyond tuition, such as for instructional materials, tutoring, and potentially other services. Private equity-owned companies already contracted with a growing number of public schools, and school districts are poised to further outsource a range of services.[36]

Specifically, private equity-owned companies in market segments such as special education, school transportation, tutoring, and curriculum are well-positioned to profit from federally subsidized scholarship granting organizations (SGOs). Consequently, with the estimated annual impact of federal tax credit exceeding $100 billion,[37] the flow of funds from public schools to private equity firms could be significant. This also means that decisions over the long-term goals and day-to-day operations in education could be increasingly concentrated in the hands of finance and technology investors as opposed to educators.

More details are available in CEA's backgrounder on tax credit vouchers, SGOs, and private equity.

Section 2 – Private Equity and Public Education

2. A. Introduction: The Dovetailing of Vouchers and Private Equity

Privatization occurs when an activity previously conducted by a public school employee is contracted out to a private provider. Privatizing an institution or entity can range on a spectrum from partial to full and complete. A 2015 UNESCO report makes this distinction between partial privatization and full privatization.[38]

Since the COVID-19 pandemic, a proliferation of private equity-owned companies has entered the K-12 public education sector. Private equity's involvement in education nearly doubled from 2019 through the pandemic to $14 billion across 150 deals in 2021 alone,[39] creating a more explosive version of the privatization dynamic than in the previous decade.

The "Educational Choice for Children Act (ECCA)," a component of the 2026 One Big Beautiful Bill Act, adds a federal voucher scheme called the "Federal Scholarship Tax Credit" (FSTC) or "Education Freedom Tax Credit" (EFTC) to the 26 states that also run at least one state-backed voucher program.[40] This federal tax credit voucher program could intensify the trend toward privatization.

Concerns have often been raised by public school advocates that vouchers will redirect public funds to private and parochial schools. There is also a growing concern that the federal voucher program could result in many school district resources, capital assets, activities, programs, expertise, and duties being outsourced to private equity firms. By enabling FSTCs to be used for public school purposes, private equity firms are positioned to receive payments for their goods and services using vouchers. This risks private equity firms extracting fiscal resources from school districts in much the same way they have from operators in the healthcare and childcare spaces.

As of September 18, 2026, U.S. Treasury rules for the FSTC/EFTC are forthcoming. However, a model bill released on August 18, 2026, by the America First Policy Institute (AFPI) may lend insight into what is to come. Multiple top posts in the U.S. Department of Education are held by former AFPI employees and board members. This includes Secretary of Education Linda McMahon.[41] The model bill called the Education Freedom Account Act introduces a range of possible services that could be privatized through vouchers.[42]

Among the variety of standalone qualifying expenses increasingly controlled by private equity ownership (tutoring, curriculum, special education, school transportation, education technology of various kinds, and more), there is language specifically targeting public schools. The AFPI model bill would also require districts to "establish reasonable fees" for services and to exclude students "purchasing a la carte services" from being counted in a state's school funding formula.

This language would effectively introduce fee-for-service mechanisms into public schools. Those positioned to take advantage of both the standalone qualifying expenses, as well as contracted-out offerings of a fee-based "a la carte service" by public schools, would be private equity-backed entities.

Impact of Vouchers on Public Housing

Since 2014, Connecticut has lost nearly 30%[43] of its public housing units as housing authorities shift toward vouchers—mirroring a nationwide trend. Even as the need for public housing grows, the number of units has shrunk from 1.3 million in the 1990s to 860,000 in 2026.[44] Vouchers to private actors are increasingly dominating what was once an outright public institution. Since 2012, over 265,000 public housing units across 1,923 residential complexes[45] were converted to private management through the Rental Assistance Demonstration (RAD) and related Housing Choice and Project-Based voucher programs.[46,47] RAD originated in 2012 with a 60,000-unit cap.[47] The federal 2026 ROAD to Housing Act raised the cap of public housing units convertible to RAD from 455,500 to 550,000 units. Additionally, the RAD program once had a sunset period, and now by statute will operate in perpetuity. A 2024 audit by the NYC comptroller found that NYC's RAD program led to an "eviction rate [that] significantly exceeded NYCHA's rate and is nearly as high as the citywide rate for all rental properties."

2. B. Private Equity, Vouchers, and High-Dosage Tutoring

In June 2026, federal officials at a U.S. Treasury meeting confirmed that FSTCs would be able to be used to pay for many services, such as tutoring and supplemental special education services. The meeting also confirmed that public schools could provide such services by setting up entities to receive voucher funds.[49] Similarly, a *Hartford Courant* op-ed published in July 2026 advocated for Connecticut to opt into the FSTC program, noting that voucher funds could be used for "tutoring, special education services and therapies, transportation, instructional materials, curriculum, textbooks, educational technology, and other educational expenses."[50]

Additionally, the public record shows that as of 2026[51], individuals associated with, or partners in, private equity firms hold high formal[52] and informal positions affiliated with various federal agencies. A chief strategist and senior advisor to Secretary of Education Linda McMahon has been Penny Schwinn, who also serves as operating partner of Vistria Group, among the leading private equity firms engaged in comprehensive K-12 education investment strategy[53,54,55] (for more information, see CEA backgrounder on private equity investors and conflicts of interest). (See graphic 3, p. 9)

Schwinn previously served as Tennessee's commissioner of education at a time when the state invested in an array of programs aligned with private equity-backed companies, including the Science of Reading and High-Dosage Tutoring.[56] Since 1996, various cities and states have implemented voucher-style programs to fund tutorial programs (Cleveland, Minnesota in 1997, Arkansas 2023). In 1996, Cleveland launched the second contemporary school voucher program in the country.[III,57] Arkansas's program also provides a voucher for K-3 supplemental literacy support[58] and specifically includes "high-dosage tutoring services."[59]

"High-dosage tutoring," or "high-impact tutoring," consists of an array of components, but a central feature is that tutoring usually takes place during the school day.[60] This often consists of virtual tutors and tutors who are not certified educators, such as college students.[61] Such tutoring services are being rapidly scaled up across the United States.

Since the pandemic, the push for high-dosage tutoring has gathered steam with conservative think tanks and outlets asserting "Every Kid in America Deserves a Tutor."[62] Some in the education investment sector believe that the future of tutoring may be artificial intelligence (AI) chatbot tutors,[63] with growth potential estimated to be nearly ninefold ($2.1b in 2025 to $17.7b in 2033).[64]

[III] This followed the Milwaukee voucher program started in 1990.

The National Student Support Accelerator (NSSA) affiliated with Stanford University is a major institutional proponent of high-dosage tutoring, with various NSSA materials made available on the Connecticut State Department of Education (CSDE) website for school districts to use. NSSA lays out multiple programming and funding pathways for integrating high-dosage tutoring, including special education services (special education is also seeing increased private equity involvement, as discussed further below).[65]

First launched through one-time American Rescue Plan Act (ARPA) funds, high-dosage tutoring grants continue to be administered by the CSDE using ongoing state budget funding. The CSDE list of "approved" and "vetted tutoring organizations" includes an array of private equity-owned companies.[66]

Connecticut's vendor list includes Catapult Learning, a division of FullBloom—which has been named in various legal complaints and was formerly owned by Vistria Group. As of 2023, Catapult Learning operated in three urban school districts: Bridgeport, Meriden, and Waterbury.

The list also included FEV Tutor, Inc., which operated in over 30 states and closed abruptly in the middle of the school year.[67,68] FEV's materials advertised that their "tutors engage with multilingual, special education, and other students using learning accommodations ... FEV Tutor can adhere to all IEP, LIEP, and 504 Plans for students and have tutors experienced working with students with high needs."[69] With the overnight closure of FEV Tutor, school districts were left scrambling to find a new high-dosage tutoring vendor that could take on the students who lost their tutors and meet the needs of students requiring special services.

Bankruptcies and overnight closures of social services are not new to private equity.[70,71,72] What has been observed in the medical sector is illustrative of the potential devastating impact on public education. More details are available in CEA's backgrounder on private equity bankruptcies and closures.

Other tutoring companies on the approved CSDE vendor list are, or have been, private equity-owned. Princeton Review and Tutor.com were previously owned by private equity firm Primavera Capital, based in Hong Kong.[73] Tutored by Teachers Inc. is owned by A-Street Capital, a private equity firm focused exclusively on pre-K through 12 education. Hey Tutor LLC[74] is backed by venture capital, a frequent precursor to being purchased by a private equity firm.[75]

Originally venture-backed, and initially publicly traded at a valuation of $1.7 billion, Varsity Tutors has investors including Facebook/Meta founder Mark Zuckerberg.[76] Varsity Tutors uses Edmentum, an online learning platform also owned by Vistria Group.[77] Edmentum itself offers virtual tutoring purporting to align with the Every Student Succeeds Act (ESSA).[78] The company also claims to provide "K-12 digital curriculum, special education services, assessments, and other services to more than 400,000 educators and 5.2 million students worldwide."[79,80] The scale of this sector is significant.

3. Special Education and Private Equity

In Connecticut, the number of students identified as receiving special education services has grown 23.3% over 10 years to nearly 100,000.[81] At the same time, special education faces the most acute and pervasive teacher shortages, with 45 states reporting shortages in special education teaching staff.[82] As the need for special educators and servicing increases, private equity firms have identified an opportunity and stepped in.

Additionally, special education overlaps and blurs with the healthcare sector, where private equity has been heavily involved over the past two decades. Over the 10-year period between 2013 and 2023, there were at least 8,474 reported private equity deals with a total deal valuation of $1.4 trillion in healthcare.[83] As such, a number of private equity firms are extending their investment from hospitals, nursing homes, and specialty forms of outpatient and inpatient care to special education. Here, numerous social services overlapping with K-12 operate on terrain familiar to private equity, such as Medicaid and other billing of public dollars.

2. C. Private Equity and Special Education

As noted in the previous section, private equity firms like Vistria Group are also stepping into the delivery of special education services, which offers an opportunity to further tap into Medicaid dollars and other large sources of public dollars. As is further discussed below, the pattern exhibited by private equity firms operating healthcare facilities is poised to be replicated in publicly funded special education programs. (See graphic 3, p. 9)

Private Equity-Owned Staffing Companies in Special Education: Alleged Wage Theft and Workplace Retaliation

Leonard Green & Partners (LGP) owns Stepping Stones Group and ranks among the top 20 private equity firms in assets under management. LGP formerly owned Prospect Medical, which included Waterbury Hospital, Manchester Memorial, and Rockville General as part of a broader hospital chain. With bankruptcy and numerous other hospitals closed in other states by Prospect Medical, fears mounted that Waterbury Hospital—a safety net hospital reliant on Medicaid dollars—would close due to dire conditions.[84] (See graphic 2)

Graphic 2: Special Education and Private Equity

According to its website, Stepping Stones Group "partners" with approximately 1,400 school districts nationwide (including many in Connecticut). Between 2014 and 2025, Stepping Stones enlarged or "rolled up" its footprint by absorbing 22 other companies into its single brand.[85,86] This is a pattern that private equity firms have systematically exhibited in healthcare[87] and childcare sectors.[88]

Furthermore, Stepping Stones likely exacerbates shortages in special educator personnel. For example, the Hartford Board of Education signed off on a two-year noncompete-like agreement with Stepping Stones. With, at one point, 40 paraprofessionals staffed and employed through Stepping Stones, this means the Hartford school district is unable to directly hire such paraprofessionals for permanent unionized positions with the school district.[89] Additionally, in 2024, Stepping Stones settled a lawsuit alleging wage theft for $4.25 million.[90] Another teacher staffing company, Insight Global—formerly owned by LGP—also settled wage theft and retaliation lawsuits.[91]

Soliant is another private equity-affiliated provider of special education services, and more widely a "provider of outsourced healthcare workforce solutions" in the K-12 sector that contracts with Connecticut school districts.[92] Now owned by Vistria Group, Soliant was previously owned by a Connecticut-based private equity firm until its sale in 2024[93] for $2.5 billion.[94] The selling company made a $2.2 billion profit between its growth over four years and the sale.[95] (See graphic 3, p. 9)

In a case study of a school district contracting with both Stepping Stones and Soliant, the findings were alarming. The school district contracted out school psychology, speech language pathology, paraeducator, and physical therapist positions at a cost of over $14 million—the equivalent of 238 permanent employees.[96] It also showed that "contracted employees spent 154,000 fewer hours with students [40 hours fewer per student] than permanent employees would have, despite it costing an additional $6 million."[97]

Another Vistria Group-owned education staffing agency operating in Connecticut school districts, Education Solution Services (ESS), claims to staff more than 15,000 schools with over 100,000 employees working with 8.5 million students.[98] An ESS brand called Proximity Learning held a contract in Tennessee where its virtual instructors garnered less student satisfaction and underachieved relative to "traditional" staff.[99] Proximity Learning offers a range of services related to special education,[100] including "virtual special education instruction."[101]

For more in-depth information, see CEA's backgrounder on private equity partners and their potential conflicts of interest.

Private Equity-Owned Outplacement Special Education Companies: Market Consolidation, Health and Safety Violations, and Uncertified Staffing

Private equity firms often target enterprises, initial investment, and expansion in states that demonstrate greater existing and future profitability relative to other states in that sector. Connecticut has the highest rate of outplacing special education students in the United States.[102] For FY24, Connecticut school districts combined spent approximately $700 million on tuition.[103] Additionally, Public Act 25-67 commissioned a study to determine if special education services can be billed to Medicaid or other private insurance."[104] While Medicaid is already a part of special education-related services[105], this appears to be a gesture at possible expanded use for Medicaid in special education.

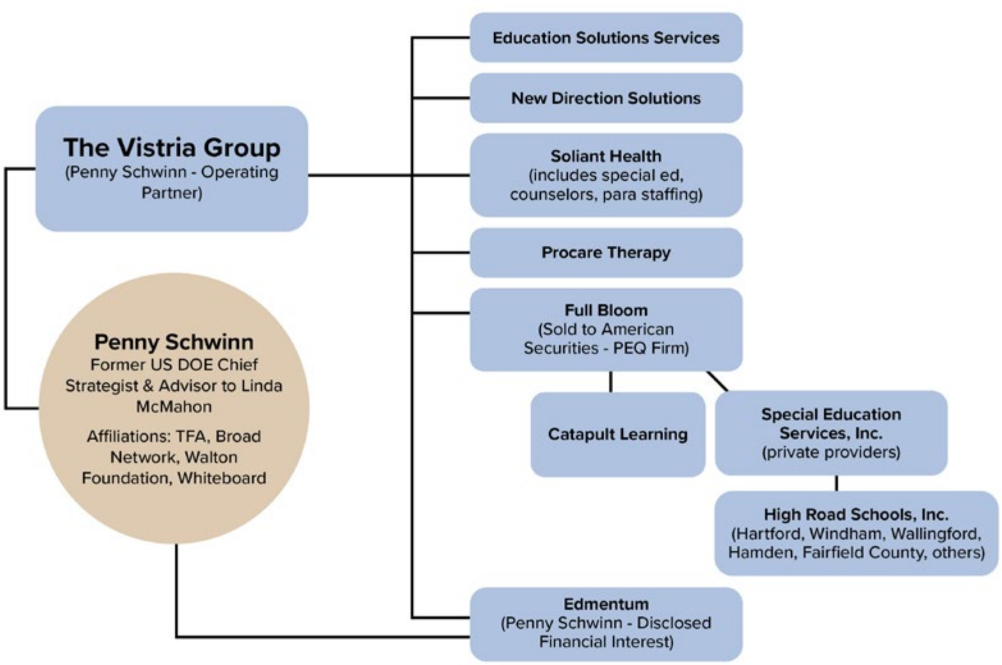
Vistria Group formerly owned FullBloom (which owns the tutoring company Catapult Learning, noted previously), of which Special Education Services Inc. (SESI) is a division. FullBloom is now owned by American Securities Inc., which also owns a chain of 11 early childhood childcare brands under the parent company Learning Care Group.[106] Four of Learning Care Group's childcare facilities are located in Connecticut.[107] Additionally, SESI owns the High Road Schools, which are on CSDE's Approved Private Special Education Programs (APSEPs).[108] (See graphic 3)

High Road Schools were subject to a joint investigative report by the State of Connecticut's Office of the Child Advocate (OCA) and nonprofit Disability Rights CT (DRCT).[IV] The report led to a complaint being filed with the U.S. Department of Education against CSDE[109] and the U.S. Department of Justice[110] against four Connecticut school districts. The complaints cite violations of the Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act of 1973 (Section 504), and the Individuals with Disabilities Education Act (IDEA). The report on High Road cites detailed examples of inadequate provision of special education services, as well as outright harmful and deceptive practices.

The complaint noted violations of child restraint and seclusion laws, including deceptively calling seclusion rooms "timeout" rooms to avoid laws regulating child seclusion practices. The report details failure to conduct background checks; inadequate staffing; lack of certification for special education, paraeducators, and administrators; and the failure to develop or follow IEPs.[111,112] The complaint also notes that at the time, nearly half of High Road's teachers lacked Connecticut teacher certification."[113]

From 2017 into early 2026, private equity firms have invested heavily in autism services, such as in applied behavioral analysis (ABA).[114,115] A Center for Economic and Policy Research (CEPR) report notes, "Between 2017 and 2022, private equity firms

Graphic 3: Private Equity and Instructional Services



[IV] DRCT is the federally mandated Protection and Advocacy (P&A) agency for Connecticut.

completed 85 percent of all mergers and acquisitions in the autism healthcare segment." As of 2023, "12-private-equity-owned ABA autism service chains … employ at least 30,000 people at 1,300 locations" across the United States.[116]

As observed in other service areas, private equity firms controlling the provision of autism services exhibit a pattern of maximizing revenue by reducing the provision of critical services. One example is the Center for Autism and Related Disorders (CARD), which operates in New England. CARD was acquired by the private equity firm Blackstone, which generated fees and other ongoing revenue from CARD between 2018 and 2022. To meet their ongoing fiscal obligations to Blackstone, CARD entered into an additional $127.5 million in debt financing. As a result, over 100 clinics were eventually closed, and CARD filed for bankruptcy in May 2023 with an estimated $245 million in debt and only $2 million in cash on hand.[117]

Why the surge in private equity ownership in autism services? One study suggests that private equity involvement in autism services correlates with states' higher diagnoses of autism and those states with "more generous state autism insurance mandates."[118] Another study suggests that this operates in combination with there being "no minimum provider service standards and little or no regulatory oversight."[119] It also notes that "Employees at [private equity]-owned [autism services] organizations also report pressure to standardize treatment plans and to bill for more hours per patient than is medically necessary—leading in some instances to fraud and large financial settlements." There is also growing suspicion that fraudulent billing by autism service facilities could be related to private equity ownership.[120] This follows a pattern similar to other privately operated schools that enroll a significant number of children with autism.

2. D. Private Equity, School Transportation, and Other District Services

While this brief focuses on private equity firm involvement in instructional matters, the pattern is also intensifying in other areas of school board activities, such as transportation. The school transportation sector could stand to benefit from the federal voucher program, especially for the transportation of students to special education placements outside their school district. For example, in Connecticut alone, school districts spent approximately $268 million on transportation for all special education students in FY24.[121] Private equity-owned companies like WE Transport and First Student stand to benefit.

WE Transport, which provides special education transportation services[122] in Bridgeport and other areas of the Northeast,[123] is part of Beacon Mobility, owned by private equity firm Audax.[124]

First Student, a company best known for providing school transportation services, was acquired by Swedish-based EQT in 2021.[125] EQT is the largest private equity firm in Europe and the ninth largest in the world in terms of assets under management.[126] First Student has faced multiple fines and legal settlements since this acquisition.

In 2023, First Student settled a lawsuit for $5.4 million with the San Francisco Unified School District for falsifying invoices.[127] In 2022 the Washington State Utilities and Transportation Commission (UTC) found that "First Student committed 634 violations of Commission rules and requirements." According to that report, 396 of the violations "were critical, acute, or repeat violations." First Student could stand to benefit from federal regulations that allow for school transportation as a qualifying expense for the FSTC.

Other school business operations that are increasingly being outsourced to private equity firms include curriculum, testing and assessment, data management, food service, parent portals, and others.

Section 3 - Takeaways

Private equity is involved in a wide spectrum of K-12 education goods and services: tutoring, curricular content, assessment, data management, school transportation, security systems, and staffing, including special education and paraeducators.[128] State participation in the federal voucher program risks statutorily solidifying privatization of public schools at an entirely new scale. Statutorily embedded revenue streams become potential dependable cash flow for private equity firms seeking to enter a new market or expand their footprint in it. The latter, as can be found in early childhood, healthcare, and prison services, can lead to significant market consolidation.

As this brief illustrates, when private equity companies engage in market consolidation, the result is often higher prices, increased health and safety violations, significant staff reductions, inadequate provision of requisite training and professional development, and untimely closures and elimination of required services.

Market consolidation has occurred in successive waves in healthcare. Claims that such consolidation would bring economies of scale were not realized.[129,130] Additionally, fiscal practices such as the assumption of debt by private equity-owned companies and property sale-leasebacks shift profits to the private equity firm. In many cases, nonprofit providers or public entities are left holding the bag.

A sale-leaseback is when an asset—such as the real estate of a company—is sold to a buyer, and then rented or "leased back". This is done to raise money for use immediately, however, often in the private equity context the proceeds from a sale-leaseback are used as a dividend payout to the private equity firm fund. After Prospect Medical engaged in a sale-leaseback with Medical Properties Trust, rent obligations rose to over $18 million per year. This added further stress to the finances of Waterbury Hospital.

As an example in Connecticut, private equity-owned Prospect Medical was saddled with debt and ultimately went bankrupt. At the time, it still owed the State of Connecticut $127 million in taxes,[131] and the city of Waterbury was forced to write off $18.4 million in taxes as "uncollectible."[132] The impact of private equity on Waterbury Hospital has been devastating, far-reaching, and illustrative of the predatory financial practices affecting needed services. See CEA's backgrounder on private equity and the Waterbury Hospital crisis here.

The documented record of private equity practices calls for policies to protect public services and tax dollars.

3. A. State and Local Policy Considerations

1. **Reject Participation in the Federal Tax Credit Voucher Program.** Reject the new federal voucher plan, which is a gateway to privatizing public education instructional services.
2. **Increase Transparency of BOE Contracts with Private Providers.** Although board of education contracts with private providers are subject to laws regarding freedom of information, they are not readily known or made available. Such contracts should be made readily accessible on board of education websites.
3. **Enhance District-Provided Services.** Connecticut should promote building the capacity of local boards to provide district services in-house and should establish greater accountability for private providers. This should include accountability for school districts and CSDE to monitor and enforce federal and state education laws that extend to private providers.
4. **Establish Outplacement Price Controls.** Clarify special education outplacement rate schedules. Public Act 25-67 limits state reimbursements to amounts established in the state's rate schedule; however, it neither sets price controls nor prevents private providers from charging fees that exceed the rate schedule. With market consolidation of providers, boards of education may be left with no choice but to pay inflated charges that exceed the state reimbursement.
5. **Consider Educator Fair Wage Protections.** Consider coupling transparency with mechanisms for school employee protections such as those in California's Education Code, which specify that "proposals to contract out work shall be eligible for approval if the contractor's wages are at the industry's level and do not undercut school district pay rates" and "the contract does not cause the displacement of school district employees."[133,134]
6. **Require Educator Expertise in Education Service Companies.** As is done in the medical field, boards that oversee professional practices in public education should consist of members with

associated licensure. This would include entities providing special education, mental health services and counseling, tutoring, and other services requiring certification.

7. **Regulate Special Education Provider Mergers.** Just as Connecticut requires reporting, monitoring, and regulating healthcare mergers and acquisitions, similar protections should be applied to special education. This will assist various stakeholders in monitoring the extent of market consolidation among private providers in education.
8. **Prohibit School Contracts with Joint Ventures.** Public school dollars should be restricted from funding joint ventures entered between nonprofit providers and for-profit firms.
9. **Expand Sale-Leaseback Prohibitions.** The state should consider extending the ban on sale-leasebacks from hospitals to private provider K-12 associated entities, such as special education private providers. This may help prevent future overnight closures that harm children and force families and school districts to scramble. Proactively doing so may also mitigate predatory behavior from private equity-owned companies in special education.
10. **Prohibition of Noncompete-like Contractual Provisions.** Prevent contracts between vendors and school districts that disallow personnel employed by vendors and contractors from being hired directly by school districts. Such provisions inhibit school districts from building capacity to resolve shortages and make school districts increasingly reliant on private providers.

3. B. Future Considerations

1. **Assess Private Equity Control of Public Schools.** Determine how embedded private equity firms are in the delivery of public education services at the district and state levels. What is the totality of contracts and the exposure of public education to associated risks?
2. **Assess Private Equity Control of Early Childhood.** Assess the impact of private equity involvement in the early childhood birth-to-five sector and determine the potential impact on K-12 public schools. Of the ten largest childcare companies in the United States, eight are private equity-owned.[135] The experience there could be instructive for what is on the horizon for public schools.
3. **Assess State Voucher Program Payments to Private Equity.** Assess how existing school voucher systems operating across the country are entwined with private equity. What have the effects of these been on public schools?
4. **Add Anti-Privatization and Fair Labor Safeguards to Public Pensions.** Determining how public pensions can operate with anti-privatization safeguards would further protect communities and workers from destabilizing outsourcing. More specifically, such would safeguard public pensions from being pooled into private equity funds that invest in asset-stripping privatizing enterprises that in turn dismantle public services.

Endnotes

[1] Edlich, A., Llewellyn, C., Croke, C., Schneider, R., & Teichner, W. (2026, February 10). *Private equity: Clearer view, tougher terrain.* McKinsey & Company. https://www.mckinsey.com/industries/private-capital/our-insights/global-private-markets-report/private-equity

[2] *15 U.S. Code § 80b–3a - State and Federal responsibilities.* (n.d.). LII / Legal Information Institute. from https://www.law.cornell.edu/uscode/text/15/80b-3a

[3] PricewaterhouseCoopers. (2024). *How private equity operating partner roles are changing: PwC.* PwC. https://www.pwc.com/us/en/industries/financial-services/library/private-equity-operating-partner-trend.html

[4] Kaplan, Steven N., and Per Stromberg. 2009. "Leveraged Buyouts and Private Equity." *Journal of Economic Perspectives* 23 (1): 121–46.DOI: 10.1257/jep.23.1.121

[5] *Private Equity and University Endowments: What's the Return?* (2025, April 4). CEPR. https://cepr.net/publications/private-equity-university-endowments/

[6] Cumming D, Monteiro P. Sovereign wealth fund investment in venture capital, private equity, and real asset funds. *Journal of International Business Policy.* 2023 May 16:1–26. doi: 10.1057/s42214-023-00162-3. PMCID: PMC10185941.

[7] KKR. (2024, March 1). Private Equity: *What You Need to Know.* KKR. https://www.kkr.com/alternatives-unlocked/private-equity

[8] Rydin, L. L. (2023, October 2). *Research Guides: Private Equity, Venture Capital, and Hedge Funds: Getting Started.* Guides.Library.Harvard.Edu. https://guides.library.harvard.edu/law/private_equity

[9] Shah, J. R. (2024, October 10). *Bloomberg*. Bloomberg.Com; Bloomberg. https://www.bloomberg.com/news/articles/2024-10-10/pe-backed-firms-suffering-higher-default-rates-moody-s-says?sref=IYaVtzGj

[10] Hall, G. (2025, July 29). *Bloomberg*. Bloomberg.Com; Bloomberg. https://www.bloomberg.com/news/articles/2025-07-29/us-credit-conditions-deteriorate-following-tariffs-moody-s-says

[11] Jeyaretnam, M. (2026, July 29). *FIFA Draws Fury Over Plan to Sell Stakes in World Cup.* TIME; Time. https://time.com/article/2026/07/29/fifa-forward-enterprise-world-cup-commercial-invest-infantino-trump-kushner/

[12] *PRIVATE EQUITY'S JOINT VENTURE TAKEOVER OF NONPROFIT HEALTHCARE.* (n.d.). Retrieved September 2, 2026, from https://pestakeholder.org/wp-content/uploads/2026/07/PESP_Report_Nonprofit-healthcare-joint-ventures_2026.pdf. Pg 11

[13] *KinderCare commends recent state investments in Child Care.* Business Wire. (2026, July 27). https://www.businesswire.com/news/home/20260727904479/en/KinderCare-Commends-Recent-State-Investments-in-Child-Care

[14] *Merkley Launches Investigation into Private Equity Ownership of Child Care Centers.* Merkley. (2026). https://www.budget.senate.gov/imo/media/doc/letter_to_kindercare_and_partners_group.pdf

[15] Our brands and offerings: KinderCare Learning Companies. KinderCare Learning Companies. (n.d.). https://www.kc-learning.com/about-us/brands

[16] Park, K. (2026, March 24). *Merkley Launches Investigation into Private Equity Ownership of Child Care Centers.* Merkley. https://www.merkley.senate.gov/merkley-launches-investigation-into-private-equity-ownership-of-child-care-centers/

[17] *The private equity club: how corporate raiders became teams of rivals.* (2022, August 9). Financial Times. https://www.ft.com/content/aec70aab-7215-4fa7-9ee3-1224d967dc28?syn-25a6b1a6=1

[18] *Pirate equity: How wall street firms are pillaging American retail.* Private Equity Stakeholder Project PESP with Center for Popular Democracy, United For Respect, Americans for Financial Reform, and Hedge Clippers . (2023, March 13). https://pestakeholder.org/reports/pirate-equity-how-wall-street-firms-are-pillaging-american-retail/

[19] Mark Dunbar. 2017. "How Private Equity Killed Toys "R" Us". *In These Times.* from https://inthesetimes.com/article/how-private-equity-killed-toys-r-us

[20] Morgenson, G. (2024, May 24). *How private equity rolled Red Lobster.* NBC News. https://www.nbcnews.com/business/consumer/private-equity-rolled-red-lobster-rcna153397

[21] Bloomberg Originals. (2020). *How Hertz's Bankruptcy Could Have Been Avoided* [Video]. YouTube. https://www.youtube.com/watch?v=eCXJAhtH4N4

[22] Steven J. Davis, John C. Haltiwanger, Ron S. Jarmin, Josh Lerner, and Javier Miranda, "Private Equity and Employment," NBER Working Paper 17399 (2011), https://doi.org/10.3386/w17399. 12.

[23] Steven J. Davis, John C. Haltiwanger, Ron S. Jarmin, Josh Lerner, and Javier Miranda, "Private Equity and Employment," NBER Working Paper 17399 (2011), https://doi.org/10.3386/w17399. 31.

[24] Sherwin, Colby, "The Financialization of the American Dream: Private Equity's Rise in the Single-Family Rental Market" (2025). Honors Theses and Capstones. 872. https://scholars.unh.edu/honors/872

[25] *Philosophy.* The Vistria Group. https://vistria.com/philosophy

[26] Brendan Ballou. 2023. *Plunder: Private Equity's Plan to Pillage America.* PublicAffairs.

[27] U.S. Senator Chuck Grassley of Iowa and Sheldon Whitehouse of Rhode Island. 2025. *Profits Over Patients: The Harmful Effects of Private Equity on the U.S. Health Care System.* Senate Budget Committee Bipartisan Staff Report. grassley.senate.gov/imo/media/doc/profits_over_patients_budget_staff_report.pdf

[28] Atul Gupta, Sabrina T Howell, Constantine Yannelis, Abhinav Gupta, Owner Incentives and Performance in Healthcare: Private Equity Investment in Nursing Homes, *The Review of Financial Studies*, Volume 37, Issue 4, April 2024, Pages 1029–1077, https://doi.org/10.1093/rfs/hhad082

[29] *Private equity's role in healthcare bankruptcies resurfacing.* (2026, February 25). Private Equity Stakeholder Project PESP. https://pestakeholder.org/news/private-equitys-role-in-healthcare-bankruptcies-resurfacing/

[30] Eileen Appelbaum and Rosemary Batt. 2014. *Private Equity at Work: When Wall Street Manages Main Street.* Russell Sage Foundation.

[31] Godnick, H. O. (2013, October 14). *I am not my sister's keeper: Private equity and the perils of alter ego liability, part II.* BLaw. https://news.bloomberglaw.com/securities-law/i-am-not-my-sisters-keeper-private-equity-and-the-perils-of-alter-ego-liability-part-ii

[32] Greenwell, M. (2025). *Bad Company: Private Equity and the Death of the American dream.* Dey Street Books.

[33] PESP Private Equity Manufactured Housing Tracker: https://pestakeholder.org/pesp-private-equity-manufactured-housing-tracker/
Private Equity Multi-Family Housing Tracker: https://pestakeholder.org/reports/private-equity-multi-family-housing-tracker/
Brendan Ballou. 2023. *Plunder: Private Equity's Plan to Pillage America.* PublicAffairs.37-59

[34] Eileen Appelbaum and Rosemary Batt. 2014. *Private Equity at Work: When Wall Street Manages Main Street.* Russell Sage Foundation.

[35] Greenwell, M. (2025). *Bad Company: Private Equity and the Death of the American dream.* Dey Street Books.

[36] PESP. 2025. *Private Equity in Public Schools: Outsourcing in K-12 Education.* Private Equity Stakeholder Project.

[37] *Megabill takes cap off unprecedented private school voucher tax credit, potentially raising cost by tens of billions relative to earlier version.* (2025). ITEP. https://itep.org/trump-megabill-expensive-private-school-vouchers/

[38] *Overview of the role of private providers in education in light of the existing international legal framework: Investments in private education: Undermining or contributing to the full development of the human right to education?* (2016). Unesco.Org. https://unesdoc.unesco.org/ark:/48223/pf0000243823

[39] Private Equity Stakeholder Project. (2022, December 4). *Private equity stakeholder project webinar on private equity's impact on education* [Video]. YouTube. 0:46 to 2:31. https://www.youtube.com/watch?v=ddvm5nMpOHA.

[40] School Choice USA. (2026). *School choice map*. School Choice USA. Schoolchoiceusa.Org. https://schoolchoiceusa.org/map

[41] The Honorable Linda McMahon | Team (2025): https://www.americafirstpolicy.com/team/lindamcmahon

[42] Education Freedom Account Act. *America First Policy Institute*. (2026, August 18). https://www.americafirstpolicy.com/issues/education-freedom-account-act

[43] Xia, A. (2026, June 12). *Connecticut Public Housing Units Decline as Vouchers Rise*. ctinsider.com. https://www.ctinsider.com/connecticut/article/connecticut-public-housing-units-decline-vouchers-22301176.php

[44] Center on Budget and Policy Priorities. (2015, June). *Policy basics: Public Housing | Center on Budget and policy priorities*. Center on Budget and Policy Priorities. https://www.cbpp.org/research/housing/public-housing

[45] (2024). *RAD for PHAs - Data & Resources*. Radresource.Net. https://www.radresource.net/pha_data2020.cfm/reference/login.cfm

[46] Center on Budget and Policy Priorities. (2015, June). *Policy basics: Public Housing | Center on Budget and policy priorities*. Center on Budget and Policy Priorities. https://www.cbpp.org/research/housing/public-housing

[47] *Rental Assistance Demonstration assessed by Government Accountability Office*. National Low Income Housing Coalition. (2018, April 2). https://nlihc.org/resource/rental-assistance-demonstration-assessed-government-accountability-office

[48] Hill, R. (2025). *Text - H.R.6644 - 119th Congress (2025-2026): To increase the supply of housing in America, and for other purposes*. Congress.Gov. https://www.congress.gov/bill/119th-congress/house-bill/6644/text

[49] Goldstein, D. (2026, June 9). Trump law would also direct voucher money to public schools. *The New York Times*. https://www.nytimes.com/2026/06/09/us/national-education-vouchers-private-school.html

[50] Marshall, D. T. (2026, July 2). *Opinion: Connecticut should put students first. Gov. Lamont can help*. Hartford Courant. https://www.courant.com/2026/07/02/opinion-connecticut-should-put-students-first-gov-lamont-can-help/

[51] *Explore financial disclosures from president Trump and 1,600 of his appointees*. ProPublica. (2026, March 5). https://projects.propublica.org/trump-team-financial-disclosures/

[52] Melby, C. (2026, July 27). *Pentagon's private equity transformation with Cerberus alum Stephen Feinberg*. Bloomberg Businessweek. https://www.bloomberg.com/graphics/2026-pentagon-private-equity-cerberus/

[53] Bryant, J. (2025, April 7). *The left chapter: Why education reformers will find a home in the Trump administration*. NEPC. National Education Policy Center. https://nepc.colorado.edu/blog/why-education-reformers

[54] Bryant, J. (2025b, April 7). The Left Chapter: *Why education reformers will find a home in the Trump administration*. NEPC. National Education Policy Center. https://nepc.colorado.edu/blog/why-education-reformers

[55] Meltzer, E. (2025, July 31). *Penny Schwinn out as nominee for Education Department's no. 2 job after conservative pushback*. Chalkbeat. https://www.chalkbeat.org/2025/07/31/penny-schwinn-withdraws-as-nominee-to-trump-education-department/

[56] Bryant, J. (2025b, April 7). *The Left Chapter: Why education reformers will find a home in the Trump administration*. NEPC. National Education Policy Center. https://nepc.colorado.edu/blog/why-education-reformers

[57] *Education options in the states: State programs that provide financial assistance for attendance at private elementary or secondary schools*. (2007). https://files.eric.ed.gov/fulltext/ED498406.pdf

[58] *Division of elementary and secondary education - offices - learning services - tutoring services*. (2016). Arkansas.Gov. https://dese.ade.arkansas.gov/Offices/learning-services/tutoring-services

[59] *Literacy_tutoring_grant_program_district_guidance*. (2026). Arkansas.

[60] *ADE commissioner's memo*. (2025). ADE Commissioner's Memo. https://adecm.ade.arkansas.gov/ViewApprovedMemo.aspx?Id=5801

[61] DeMio, P. (2024, January 18). *Scaling up high-dosage tutoring is crucial to students' academic success*. Center for American Progress. https://www.americanprogress.org/article/scaling-up-high-dosage-tutoring-is-crucial-to-students-academic-success/

[62] Duffy, M. T. (2025, March 20). *Every kid in America deserves a tutor*. Education Next. https://www.educationnext.org/every-kid-in-america-deserves-a-tutor-heres-how-to-find-money-pay-for-it/

[63] Barshay, J. (2026, April 6). *The quest to build a better AI tutor*. The Hechinger Report. https://hechingerreport.org/proof-points-ai-tutor-python/

[64] Grand View Research. (2024). *AI tutors market size, share & trends | industry report 2030*. Grandviewresearch.Com. https://www.grandviewresearch.com/industry-analysis/ai-tutors-market-report

[65] *Integrating high-impact tutoring with multi-tiered systems of support (MTSS) | national student support accelerator*. (2023, September 25). Stanford.Edu. https://nssa.stanford.edu/briefs/integrating-high-impact-tutoring-with-mtss

[66] *In-person and virtual organizations*. (n.d.). Connecticut State Department of Education, from https://portal.ct.gov/-/media/sde/acceleratect/csde-approved-tutoring-organizations.pdf

[67] *KinderCare commends recent state investments in Child Care*. Business Wire. (2026, July 27). https://www.businesswire.com/news/home/20260727904479/en/KinderCare-Commends-Recent-State-Investments-in-Child-Care

[68] Jacobson, L. (2025, January 29). *Tutoring giant's sudden demise linked to end of federal relief funds*. The74million.Org. https://www.the74million.org/article/tutoring-giants-sudden-demise-linked-to-end-of-federal-relief-funds/

[69] *FEV Tutor: Connecticut High-Dosage Tutoring Program Provider Survey*. https://portal.ct.gov/-/media/SDE/High-Dosage-Tutoring/Applications/R_1P2le88ph3Q2Osf.pdf. (2023). https://portal.ct.gov/-/media/SDE/High-Dosage-Tutoring/Applications/R_1P2le88ph3Q2Osf.pdf

[70] "Why Private Equity Is Buying Hospitals & Shutting Them Down". 2025, June 26. *More Perfect Union*. https://www.youtube.com/watch?v=k1RSou_7StU

[71] Singh, Yashaswini, Megha Reddy, Irene Papanicolas, and Richard Scheffler. 2026. "Private Equity Investments in Health Care in OECD Countries: An Exploratory Analysis." *Health Economics, Policy and Law*. https://doi.org/10.1017/S1744133125100352

[72] U.S. Senator Chuck Grassley of Iowa and Sheldon Whitehouse of Rhode Island. 2025. *Profits Over Patients: The Harmful Effects of Private Equity on the U.S. Health Care System*. Senate Budget Committee Bipartisan Staff Report. grassley.senate.gov/imo/media/doc/profits_over_patients_budget_staff_report.pdf

[73] Korn, M. (2023, May 8). Chinese company now owns tutoring firm contracted by military and schools in U.S. *The Wall Street Journal*. https://www.wsj.com/tech/princeton-review-and-tutor-com-are-now-owned-by-a-chinese-company-58ebea38

[74] Tutored by Teachers. (2024, February 29). *Tutored by teachers named to the GSv 150 list of the most transformational growth companies in digital learning and workforce skills*. PRNewswire. https://www.prweb.com/releases/tutored-by-teachers-named-to-the-gsv-150-list-of-the-most-transformational-growth-companies-in-digital-learning-and-workforce-skills-302075504.html

[75] HeyTutor. (2019, January 29). *HeyTutor raises $1M in series a deal with ScOp Venture Capital*. PR Newswire. PRNewswire. https://www.prnewswire.com/news-releases/heytutor-raises-1m-in-series-a-deal-with-scop-venture-capital-300784791.html

[76] Zuckerberg invests in on-demand education site varsity tutors in $50 million fundraise. (2018, February 14). https://www.forbes.com/sites/kathleenchaykowski/2018/02/14/zuckerberg-invests-in-on-demand-education-site-varsity-tutors-in-50-million-fundraise/

[77] *In-person and virtual organizations*. (n.d.). Connecticut State Department of Education, from https://portal.ct.gov/-/media/sde/acceleratect/csde-approved-tutoring-organizations.pdf

[78] Edmentum Inc. (2023, August 29). *Virtual tutoring*. Edmentum. https://www.edmentum.com/products/virtual-tutoring/

[79] Edmentum Inc. (2023a, August 28). *Get a quote*. Edmentum. https://www.edmentum.com/get-a-quote

[80] Edmentum Inc. (2024, January 5). *Special education overview*. Edmentum. https://www.edmentum.com/resources/brochures/special-education/

[81] Stanford, L. (2026, July 27). *Number of CT Special Education students nearing 100,000. it's a $3.2B+ cost; need for services is growing*. Hartford Courant. https://www.courant.com/2026/07/27/number-of-ct-special-education-students-nearing-100000-its-a-3-2b-cost-need-for-services-is-growing/

[82] *Teacher shortages by subjects across states*. (2025, July 16). Learning Policy Institute. https://learningpolicyinstitute.org/product/teacher-shortages-subjects-across-states-factsheet

[83] Singh, Yashaswini, Megha Reddy, Irene Papanicolas, and Richard Scheffler. 2026. "Private Equity Investments in Health Care in OECD Countries: An Exploratory Analysis." *Health Economics, Policy and Law*. https://doi.org/10.1017/S1744133125100352

[84] Karen Davenport and Kennah Watts. 2026, July 28. Hollowed Out: How Private Equity Destabilized Safety-Net Hospitals in Pennsylvania, Connecticut, and Rhode Island | Center on Health Insurance Reforms at Georgetown University.

[85] PESP. 2025. *Private Equity in Public Schools: Outsourcing in K-12 Education*. Private Equity Stakeholder Project.

[86] Brendan Ballou. 2023. *Plunder: Private Equity's Plan to Pillage America*. PublicAffairs.

[87] Richards, Michael R., and Christopher M. Whaley. 2026. "The Current Era of Health Care Consolidation." *Journal of Economic Perspectives* 40 (2): 93–116.

[88] Stienon, Audrey and Melissa Boteach. 2024. *Children Before Profits: Constraining Private Equity Profiteering to Advance Child Care as a Public Good*. National Women's Law Center and Open Markets Institute.

[89] PESP. 2025. *Private Equity in Public Schools: Outsourcing in K-12 Education*. Private Equity Stakeholder Project. 9.

[90] *Spending more, serving less: The high cost of private equity in special education*. (2025a, November 18). Private Equity Stakeholder Project PESP. https://pestakeholder.org/reports/spending-more-serving-less-the-high-cost-of-private-equity-in-special-education/

[91] PESP. 2025. *Private Equity in Public Schools: Outsourcing in K-12 Education*. Private Equity Stakeholder Project. 6.

[92] *Portfolio*. (2026, March 26). The Vistria Group. https://vistria.com/portfolio/

[93] *Olympus sells soliant to move to the head of the class | Olympus Partners*. (2024). Olympus Partners. https://olympuspartners.com/news/olympus-sells-soliant-to-move-to-the-head-ofthe-class/

[94] Schott, P. (2024, August 23). *CT-based private equity firm Olympus Sells Soliant Health for $2.5B*. CT Insider. https://www.ctinsider.com/business/article/olympus-partners-soliant-health-19715927.php

[95] Financial Times. (2024a, July 29). *Olympus's $2bn soliant sale is rare profitable exit from buyout stockpile*. Financial Times. https://www.ft.com/content/b60251f3-3b3c-4051-bae3-23ec5dedf6d5?syn-25a6b1a6=1

[96] Private Equity Stakeholder Project. *Spending More, Serving Less: The High Cost of Private Equity in Special Education* (2025), https://pestakeholder.org/reports/spending-more-serving-less-the-high-cost-of-private-equity-in-special-education

[97] Private Equity Stakeholder Action. *Spending More, Serving Less: The High Cost of Private Equity in Special Education* (2025), https://pestakeholder.org/reports/spending-more-serving-less-the-high-cost-of-private-equity-in-special-education

[98] *About us*. (2024a, August 21). ESS. https://ess.com/about-us/

[99] PESP. 2025. *Private Equity in Public Schools: Outsourcing in K-12 Education*. Private Equity Stakeholder Project. 6.

[100] Strahan, M. (2026, February 5). *A comprehensive guide to proximity learning's special services*. Proximity Learning. https://www.proxlearn.com/a-comprehensive-guide-to-proximity-learnings-special-services/

[101] Proximity Learning. (2026, January 21). *Virtual special education instruction* [Video]. YouTube. https://www.youtube.com/shorts/f4FFHqpO8P8

[102] Allen, S. (2025, September 7). *Funding for special ED in CT got a bump this year, but is it enough?* CT Mirror. https://ctmirror.org/2025/09/07/ct-special-education-funding-2025/

[103] Allen, S. (2025, September 7). *Funding for special ED in CT got a bump this year, but is it enough?* CT Mirror. https://ctmirror.org/2025/09/07/ct-special-education-funding-2025/

[104] Conn. Gen. Stat. § 10-76a et seq., Public Act No. 25-67. (2025). *An Act Concerning the Quality and Delivery of Special Education Services in Connecticut*. Hartford, CT: Connecticut General Assembly

[105] *School based child health - SBCH*. (n.d.). CT.Gov. Retrieved https://portal.ct.gov/dss/health-and-home-care/school-based-health-care-program/school-based-child-health---sbch?language=en_US

[106] *Learning Care Group | company | American Securities*. (2026). American Securities Website. https://www.american-securities.com/companies/learning-care/

[107] There are High Road schools in Hartford; in Windham; Danielson; Wallingford; Hamden; and Norwalk. School Search Results | Learning Care, https://www.learningcare.com/about-us/find-a-school/search-results/

[108] *Find a school*. (2025, February 17). SESI Schools. https://sesischools.com/find-a-location/

[109] Ragland, J. (2024, September 20). *Child advocate files federal complaint over allegations of inadequate special education services*. CT News Junkie. CT News Junkie. https://ctnewsjunkie.com/2024/09/20/child-advocate-files-federal-complaint-over-inadequate-special-education-services/

[110] *ADA, Section 504 and IDEA Discrimination Complaint Against the Hartford Public Schools, Bridgeport Public Schools, Waterbury Public Schools, Stratford Public Schools*. (2024). https://portal.ct.gov/-/media/oca/oca-recent-publications/2024-publications/oca-drct-doj-complaint-62524.pdf

[111] Office of the Child Advocate and Disability Rights Connecticut. 2024. *High Road Schools Education Administration & Programming Deficiencies*. 6.

[112] Office of the Child Advocate and Disability Rights Connecticut. 2024. *High Road Schools Education Administration & Programming Deficiencies*. 20.

[113] *Complaint filed with U.S. Department of Education alleging significant deficiencies in oversight of education provided to Connecticut students with disabilities*. (2024b). https://portal.ct.gov/-/media/oca/oca-recent-publications/news----oca-drct-file-complaint-with-us-dept-of-education---91924.pdf

[114] Eileen O'Grady. 2022. The Kids Are Not Alright: How Private Equity Profits Off of Behavioral Health Services for Vulnerable and At-Risk Youth. Private Equity Stakeholder Project. PESP_Youth_BH_Report_2022.pdf

[115] *Private equity healthcare acquisitions - march 2026*. (2026b, May 6). Private Equity Stakeholder Project PESP. https://pestakeholder.org/news/private-equity-healthcare-acquisitions-march-2026/

[116] Rosemary Batt, Eileen Appelbaum, Quynh Trang Nguyen. 2023, June 14. "Pocketing Money Meant for Kids: Private Equity in Autism Services". *Center for Economic and Policy Research*. https://cepr.net/publications/pocketing-money-meant-for-kids-private-equity-in-autism-services/

[117] PESP. 2026 April. Private equity's Autism Therapy Boom is Straining Medicaid. 17.

[118] Arnold DR, Reddy M, Cantor J, McBain RK, Yu H, Whaley CM, Singh Y. Private Equity in Autism Services. JAMA Pediatr. 2026 Mar 1;180(3):341-343. doi: 10.1001/jamapediatrics.2025.5443. PMID: 41489825; PMCID: PMC12771383.

[119] Rosemary Batt, Eileen Appelbaum, Quynh Trang Nguyen. *Pocketing money meant for kids: Private equity in autism services*. (2025b, January 16). CEPR. https://cepr.net/publications/pocketing-money-meant-for-kids-private-equity-in-autism-services/

[120] PESP. 2026 April. Private equity's autism therapy boom is straining Medicaid. https://pestakeholder.org/wp-content/uploads/2026/04/PESP_Report_PE-in-ABA_2026.pdf

[121] Allen, S. (2025, September 7). *Funding for special ED in CT got a bump this year, but is it enough?* CT Mirror. https://ctmirror.org/2025/09/07/ct-special-education-funding-2025/

[122] *Connecticut Special Education Transportation Services - WE transport*. (2026a, March 2). WE Transport. https://wetransport.com/connecticut-special-education-transportation-services/

[123] Staff Report. (2025, August 21). *CT school district reaches bus agreement to restore service, reduce student walking distances*. Hartford Courant. https://www.courant.com/2025/08/21/ct-school-district-reaches-bus-agreement-to-restore-service-reduce-student-walking-distances/

[124] *Portfolio: Flagship, Origins, Strategic Capital Investments - Audax Private Equity*. Portfolio | Flagship, Origins, Strategic Capital Investments - Audax Private Equity. (n.d.). https://audaxprivateequity.com/portfolio

[125] *EQT infrastructure closes acquisition of first student and first transit*. (2021, July 22). First Student, Inc. https://firststudentinc.com/resources/newsroom/eqt-infrastructure-closes-acquisition-of-first-student-and-first-transit/

[126] *Top 100 private equity firms: 2026 Rankings by AUM*. (2026d, March 29). Praxis Rock Advisors. https://praxisrock.com/insights/top-private-equity-firms

[127] Johnson, S. (2023, March 25). *SF unified settles $5.4 million legal battle with school bus operator over pandemic fees | KQED*. Kqed.Org. https://www.kqed.org/news/11944773/sf-unified-resolves-5-4-million-legal-battle-with-school-bus-operator-over-pandemic-fees

[128] *School support services outsourcing: The original privatization of education - in the public interest*. (2023, October 26). In the Public Interest. https://inthepublicinterest.org/school-support-services-outsourcing-the-original-privatization-of-education/

[129] Richards, Michael R., and Christopher M. Whaley. 2026. "The Current Era of Health Care Consolidation." *Journal of Economic Perspectives* 40 (2): 93–116.

[130] Singh, Yashaswini, Megha Reddy, Irene Papanicolas, and Richard Scheffler. 2026. "Private Equity Investments in Health Care in OECD Countries: An Exploratory Analysis." Health Economics, Policy and Law. https://doi.org/10.1017/S1744133125100352

[131] Golvala, K. (2026, March 5). *Will CT recoup $127M in taxes owed by Prospect Medical Holdings?* Hartford Business Journal. https://hartfordbusiness.com/article/will-ct-recoup-127m-in-taxes-owed-by-prospect-medical-holdings/

[132] Hughes, P. (2025, June 28). *Waterbury writes off $18.4m in hospital taxes due to bankruptcy.* CT Insider. https://www.ctinsider.com/waterbury/article/waterbury-hospital-prospect-medical-holdings-taxes-20391731.php

[133] *School support services outsourcing: The original privatization of education - in the public interest*. (2023, October 26). In the Public Interest. https://inthepublicinterest.org/school-support-services-outsourcing-the-original-privatization-of-education/

[134] California Legislature. (2025). *California education code section 45103.1 (2025)*. California.Public.Law. https://california.public.law/codes/education_code_section_45103.1

[135] Stienon, Audrey and Melissa Boteach. 2024. *Children Before Profits: Constraining Private Equity Profiteering to Advance Child Care as a Public Good*. National Women's Law Center and Open Markets Institute.