



CHILDREN LEARNING, PARENTS EARNING 1540 River Park Drive, Suite 209, Sacramento, CA 95815 Phone: (916) 567-6797 FAX: (916) 567-6790

June 14, 2011

**CAPPA Board of Directors**

The Honorable Alan Lowenthal  
Chair, Senate Education Committee  
State Capitol, Room 2032  
Sacramento, CA 95814

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Dear Chairman Lowenthal,

I am writing to you today on behalf of the California Alternative Payment Program Association (CAPPA). We are the proud sponsors of AB 245 (Portantino). Alternative Payment Programs (APPs) contract with the California Department of Education to distribute child care subsidies to thousands of providers of early care and education programs. APPs serve hundreds of thousands of children and their families each year, and are uniquely networked in every community to support families and local economies.

AB 245 would require by 2013 that the Superintendent of Public Instruction implement direct deposit with the State Controller for public and private contractors that provide any services related to the delivery of child care and development services.

Currently, APPs receive payments from the Controller via a paper check sent in the mail. Depending on where you are in the state, this process can range from 2-5 days from the time the check leaves Sacramento. I have heard from member agencies that they have had to go to the great length of positioning a staff person at the post office to wait for their apportionment checks to arrive. This antiquated process creates delays in an agency's ability to get the provider payments out the door to the small business owners (child care providers) and centers that have already provided the needed child care.

In the lives of the child care providers that APPs support, any delay in receipt of monies creates hardships in their ability to pay their bills. Just recently, the uncertainty and delay in funding of CalWORKs Stage 3 created month's long backlogs of monies owed to early care and education providers. When the funding was finally secured, the delay in actually getting the dollars into the hands of the small business child care providers took longer than it should have due to this process not yet being in place.

On behalf of APPs, the tens of thousands of small business child care providers and the children and families that we serve, we ask for your support of AB 245. If you have any questions, please CAPPA staff at 916-567-6797.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Kowalewski', written over a light blue background.

*Denyne M. Kowalewski*  
Executive Director, CAPPA

