



## PUBLIC SECTOR

# The COVID-19 Crisis: Navigating and Advancing Charter Schools

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As traditional school districts struggle to adapt post-COVID, **charter management organizations (CMOs) are uniquely positioned to leverage their agile structure to respond to the needs of the communities, families, and students they serve.**

CMOs across the nation have rallied to provide essential educational, nutritional, and mental health services to their students.<sup>1</sup> Despite these efforts, this crisis has amplified systemic challenges and educational inequities that have existed for decades and has surfaced new challenges in providing education and support for children.

### COVID-19 Academic and Operational Impact

- **The lack of physical access to schools significantly impacts America's most vulnerable populations,** furthering cycles of poverty. Without physical access to schools, lower income families have lost access to crucial safety nets like nutritional programs and childcare.
- **Schools must balance academic rigor with the unique challenges of technology access and varying student home life.** As charter schools scramble to get technology into the hands of families, attendance and student engagement expectations are hard to define, and even more difficult to measure and execute. With many students left without access to technology, teachers in many districts have been instructed not to deliver new curriculum content.<sup>2</sup> If unaddressed, this period of missed education will create a lasting impact on students' learning trajectories.
- **Delivery of Individualized Education Plans (IEPs) will be a challenge for many schools.** Special Education instructors are tasked with providing the IEP services outlined in the plans of students with special learning needs. A lack of in-person content delivery means that those services will often not be provided.<sup>3</sup>
- **Virtual teaching is a new frontier.** To accommodate virtual classrooms, teachers are tasked to step out of their comfort zones to deliver quality instruction on new technology platforms. CMO leaders are burdened with finding network technology that will facilitate high quality teaching and learning while protecting the privacy of students.

<sup>1</sup> Waters, L. (2020, March 30). Retrieved from <https://educationpost.org/charter-schools-may-be-leading-the-way-during-covid-19/>

<sup>2</sup> Meckler, L., Strauss, V., & Heim, J. (2020, April 13). Millions of public school students will suffer from school closures, education leaders have concluded. Washington Post. Retrieved from [https://www.washingtonpost.com/local/education/online-learning-summer-school-coronavirus/2020/04/11/de11c278-7adc-11ea-a130-df573469f094\\_story.html](https://www.washingtonpost.com/local/education/online-learning-summer-school-coronavirus/2020/04/11/de11c278-7adc-11ea-a130-df573469f094_story.html)

<sup>3</sup> Brenner, K. (2020, April 10). Coronavirus Compounds Challenges for Special Education. The Marin Independent Journal. Retrieved from <https://www.govtech.com/public-safety/Coronavirus-Compounds-Challenges-for-Special-Education.html>



## COVID-19 Financial Impact

**The fiscal impact of COVID-19 will be severe:** Though the full financial impact will not be fully understood for some time, as recipients of state and federal funds, charter schools will be impacted as substantial cuts to government budgets are likely.

- **Trends in increased state spending on K-12 will likely reverse:** Given their heavy reliance on state revenues, CMOs and local school districts are exposed to fiscal risk and should expect significantly reduced state budgets in the near term.<sup>4</sup>
- **Federal Aid and other donations will fall short of making schools whole:** It is unlikely that the funds charter schools receive from the CARES Act (via the Education Stabilization Fund), or other federal aid, will even begin to cover the gap in State revenues. Charter school leaders should also expect the additional loss of revenue from decreased philanthropic funding as individual donors impacted by the economic downturn provide fewer donations in the short and medium term.<sup>5</sup>

## Taking Decisive Action Now

### Prioritize student engagement and attendance:

- Encourage classroom innovation and multiple content delivery methods (live-class sessions, office hours, recorded instructional videos, etc.).
- Develop and/or source teacher training that pushes best pedagogical practices in an online setting.
- Establish virtual structures, daily schedules, and flexible due dates for assignments that support students with limited access to technology due to competing schedules at home.

**Focus on governance, leadership and communication:** With less red tape most public schools and charter schools can respond to the current crisis in an innovative and responsive manner.

- Implement a crisis management team to monitor and react to the day-to-day situations.
- Prioritize consistent, multi-modal/channel communications with families.
- Track family engagement to identify at-risk families that need additional support and to prevent student feelings of isolation during any current or future stay-at-home orders.

**Manage Cash Reserves and Access Relief Opportunities:** Given the uncertain future, CMO leadership must look to boost short-term cash reserves by strategically cutting operational expenses and access relief opportunities.

- Scale back short-term expenses including: utilities, custodial services, security, maintenance, enrollment marketing, end of year celebrations, and student transportation services.
- Delay capital expenditures and freeze all hiring decisions and pay increases.
- Actively monitor and pursue state and federal relief opportunities.

**Collaborate:** Charter Management Organizations and schools typically compete with each other, but this moment calls for collaboration to ensure that students and families are safe and receiving basic services.

- Create more platforms and spaces that encourage collaboration between principals to share best practices and between teachers to share lesson plans, alleviating the burden of planning for remote learning.
- Seek out partnerships with the private sector to increase student access to technology.
- Smaller CMOs and single site charters: Reach out to public school districts, virtual charter schools, and large CMOs for cross sharing of lessons learned and best practices.

## Making Tough Decisions Now for Fall of 2020

<sup>4</sup> Roza, M. (2020, April 17). How the coronavirus shutdown will affect school district revenues. Retrieved from <https://www.brookings.edu/blog/brown-center-chalkboard/2020/04/09/how-the-coronavirus-shutdown-will-affect-school-district-revenues/>

<sup>5</sup> Catchafire. (2020, March 23). Retrieved from <https://catchafireblog.org/we-had-a-shoestring-budget-in-good-times-covid-19-s-devastating-impact-on-the-nonprofit-sector-434df2d5f78b>



**Prepare for enrollment fluctuations:** Charter schools have an opportunity to demonstrate responsiveness and educational innovation, which could lead to increased enrollment in the long-term.

- Create strategic summer outreach plans to forecast percentage change in enrollment and to retain as many families as possible.
- Plan for an increase to student transportation budget to support families that have been displaced but want to maintain their connection to the school.
- Promote distance learning programs on social media to showcase the hard work and dedication of the principals and teachers and encourage new families to enroll.

**Continue to monitor cash positions, forecast future budgets using conservative assumptions:**

- Develop an understanding of COVID-19's impact on your respective state's revenue, rainy day fund and FY21 budget. Overlay that understanding with how your state's funding formula may be impacted.
- Build individual school budgets with the conservative assumption that student populations and average per pupil funding amounts will decrease in the 2020-2021 school year and beyond.
- Revisit large annual expenses including support staff, staffing ratios, utilities, and select supplies. Plan for an increase in COVID-19 related expenses including additional substitute teachers, additional mental health supports for students, and additional school sanitation services.<sup>6</sup>
- Seek out one-time, non-recurring crisis grants and donations from large foundations and other philanthropic sources.

**Reflect and act to seize on the long-term opportunities and learnings the current crisis presents:**

- Ask the hard question: what can we learn from this crisis that can be used to drive student outcomes and address educational inequities in the future?
- Utilize size and organization structure to quickly iterate new ideas, test their efficacy, reflect on lessons learned, share findings and conclusions, and course correct.

A&M is available to help you navigate the financial and operational impacts of COVID-19. Contact us to learn how we can support your schools.

<sup>6</sup> Barrett, N. (2020). What Charter Schools Need to Know: COVID and Education Inance: Acting During the Impending Fiscal Downturn. National Alliance for Public Charter Schools, 1–6. Retrieved from <https://www.publiccharters.org/sites>

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