



A&M EDUCATION SERVICES

# Transforming Early Education and Childcare at the State Level



States need more than survey results and research reports to make change happen. They need practical guidance to make better decisions about child and family resources. **A&M's Public Sector practice helps states harness synergies and drive change** through the alignment of funds, policies, investment, data and infrastructure across disparate early education and childcare resources.

In the wake of COVID-19, funding for early childhood care and education programs is now available from the federal government. And while the proposed Build Back Better bill failed to pass, there's a likelihood that more federal funds will be available to support children and help families balance work and childhood education as parents navigate a tight labor market. However, many states are woefully unprepared to receive the funds and distribute them effectively.

States who operate fragmented support services that cobble together programs across different state agencies are less likely to have a roadmap to guide funding decisions to ensure the right programs reach those who most need the benefits.

## Effectively Funding and Operating Child-focused Programs

Increased federal funds should theoretically create systemic change in early childcare and learning, but for states with fragmented programs, even the process of deciding how to disperse funds can pose a burden for states, families and providers. **Below are four key areas on which states can focus to remove inefficiencies and make the most of this injection of dollars.**

### 1 Develop vision and align funding

States should strongly consider realigning the patchwork of child care and early education programs across several agencies into a cohesive set of services in one department, making the coordination of various funding streams much easier to manage. Delivering a seamless and supportive family experience, which is much easier accomplished through a coordinated, comprehensive approach, will help states comply with new eligibility rules and make programs more accessible.

### 2 Radically scale support functions

The disconnected nature of many state programs makes it more difficult to scale and expand services. Increased coordination unlocks the possibility of scaling and standardizing functions that keep programs operational, such as payment processing, grant management and training.

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### Ensure quality and equitable access

States need to analyze all barriers to equitable access and quality of care and anticipate challenges stemming from the expansion of services. Only then can they deploy mitigation and action plans to address these concerns.

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### Invest in technology

An effective data infrastructure, the right technology and data processes can enable states to efficiently monitor compliance, increase transparency and make informed decisions to improve programs.

## Case Study: A New State Agency

### Situation

When a state passed legislation to create a new agency dedicated to early learning and care, it came with a mandate to combine existing programs from multiple agencies and departments. Of particular concern was untangling the many support services from other agencies and re-establishing them into one organization with the scale to expand and improve services.

### How We Helped the Client

A&M helped agency executives and heads of various programs to understand the implications of migrating programs and to outline the strategies and planning required to reduce the risk of negatively impacting staff, family and service providers. A&M also supported the new agency's leadership in the following ways:

- Provided strategic transformation, start-up and carve out advisory support;
- Facilitated input from a diverse set of voices to co-create the agency mission to equitably serve children and families;
- Delivered an operating model, organizational design, technology system and initial operating budget covering all programs in the new agency;
- Developed a two-year roadmap of prioritized projects to support the launch and effective operations of the new agency;
- Program managed key projects to establish the new agency, including establishing back-office administration, supporting hiring for dozens of new positions and facilitating staff migration to new roles; and
- Engaged a broad set of stakeholders in a range of activities to support organization change management, developed key communications to share the vision of the new agency and helped draft legislative reports to share progress.



### Trends in Action

In recent years, several states have moved to integrate early childhood care and education.

Here are three recent developments:

- --- **New Mexico** — In 2019, New Mexico signed a bill into law that consolidated early childhood programs in one cabinet-level agency, providing oversight for childcare assistance, prekindergarten services and home-visit programs. Previously, the programs were scattered across four state agencies. The state expects the consolidation will improve the reach of services to rural and Native American communities.
- --- **Washington** — Legislators enacted a bill in 2019 that created a group to investigate options to improve affordability, quality and workforce pay by 2025. In 2021, the state passed the Fair Start for Kids Act, which focuses on affordability, expansion of programs and better pay for childcare workers.
- --- **Oregon** — In 2021, the state enacted legislation that established a new agency focused on improving access and affordability of childcare. The new agency will expand eligibility and program reach across the state and build out the network of quality childcare providers.

**Discover**

Where are we today? What do our families and provider partners need? What is the gap and opportunity?

- Review current family and provider experience of child-related programs by gathering data and feedback
- Review and scope existing programs that are targeted to move to new agency
- Identify opportunities and transition decisions
- Research other states to benchmark transition activities

**Design & Plan**

What is our new vision? How do our capabilities and capacity need to change? How do we get there?

- Prioritize opportunities, gaps and requirements to inform agency design
- Facilitate activities to develop agency mission, vision and values
- Develop operating model and organizational design with aligned budget and performance measures
- Create an implementation roadmap
- Support change management including communications, stakeholder activities and legislative reporting

**Build & Deploy**

What additional adjustments are needed? How are partners and staff being supported in the change?

- Provide project management office (PMO) support to execute the new agency implementation roadmap
- Identify and engage partners to support transition
- Help new agency team to refine and improve operational processes

## A&M's Early Childhood Services Generate Real Results

Many state governments face challenges because of fragmented services across multiple agencies and departments. As the federal government invests more in childcare and early learning, new paradigms need to be constructed to adequately handle the funds and efficiently expand and improve services.

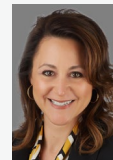
A&M has a proven track record for helping states transform their childhood sector services to provide programs effectively and equitably to more people who need them. As in all our work, we apply a bias for action in our approach, meaning states can have confidence that their transformations will deliver early childhood programs that expand services, drive results and comply with funding requirements to improve the lives of their constituents.

## CONTACT US TODAY

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## ABOUT ALVAREZ & MARSAL

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) for leadership, action and results. Privately held since its founding in 1983, A&M is a leading global professional services firm that provides advisory, business performance improvement and turnaround management services. When conventional approaches are not enough to create transformation and drive change, clients seek our deep expertise and ability to deliver practical solutions to their unique problems.

With over 6,000 people across five continents, we deliver tangible results for corporates, boards, private equity firms, law firms and government agencies facing complex challenges. Our senior leaders, and their teams, leverage A&M's restructuring heritage to help companies act decisively, catapult growth and accelerate results. We are experienced operators, world-class consultants, former regulators and industry authorities with a shared commitment to telling clients what's really needed for turning change into a strategic business asset, managing risk and unlocking value at every stage of growth.

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