



A&M EDUCATION

Post-Pandemic Education Challenges: Overcoming Obstacles with Expert Education Consulting Services

In the wake of the pandemic's impacts to an already fragile system, superintendents face the next wave of financial and operational challenges, including:



Enrollment Loss

While “hold harmless” provisions temporarily shielded districts from the pandemic’s devastating enrollment drops, their expiration leaves districts with significant budget shortfalls, exacerbated even further by a declining trend in attendance. Many districts still hope these students will return, but enrollment data from the 2022/2023 school year indicate those students (and dollars) may be gone for good.



Growing Cost Structures

Influx of relief funds temporarily eased budgetary pressures, but also masked runaway costs due to inflationary pressure, a tight labor market, aging capital investments and increased use of compensatory education and wraparound supports. These costs were not matched with new, sustainable funding sources, creating a looming fiscal cliff as ESSER sunsets.



ESSER Expiration

In addition to implications for cost structures, districts are also struggling to appropriate the remaining ESSER II and ESSER III funds by September 2023 and 2024 deadlines, and to adequately manage requirements associated with how the funds must be used and tracked.



Talent Shortages

Districts across the country face a talent crisis at all levels. In 2022, all 50 states reported teacher shortages in at least one subject area¹, and vacancies in district leadership roles abound due to the competitive job market and an inability to compete with private sector wages.



Economic Uncertainty

After more than ten years of economic growth, economic uncertainty and the potential for a recession puts at risk state and local government revenues derived from payroll and property taxes. Districts will suffer the downstream effects.

If superintendents fail to address these challenges, districts will be forced to make short-sighted and painful decisions, and student needs and achievement will suffer as a result.

1. <https://tsa.ed.gov/#/reports>

Transformative Actions for School Districts: Driving Success in the Post-Pandemic Era

As the deadline to use remaining ESSER funds approaches, education leaders have a “once in a generation” opportunity to make structural and operational changes to better serve students. Big, bold, changes are required. But leaders must act quickly and decisively before the window of opportunity closes. As school districts across the country work to avoid the fiscal cliff as COVID-relief funds expire, the following four actions will be critical to optimize funding and attention to student outcomes and achievement:

1. Use a data-driven approach to create structures and processes that evaluate, prioritize and align current and planned investments with student outcomes.
2. Streamline administrative functions for efficiency and effectiveness; reallocate savings to cover revenue losses and re-invest in the classroom.
3. Build resilient organizations that can serve today’s changing student population while remaining flexible to meet the next challenge or student need.
4. Re-imagine teacher and leadership career tracks, incentives and training to build must-have capabilities and improve retention.

Expert Education Transformation Services: A&M's Solutions for School Districts

A&M provides leadership, data driven problem-solving and value-creation to underperforming and healthy organizations in the US and globally. In 2003, A&M launched its Public Sector Services (PSS) practice devoted to serving the unique needs of the public sector. As part of that practice, A&M Education delivers strategic assessments, recommendations and reforms to school systems, charter management organizations and state education agencies. We’ve been on the front lines of some of the most dramatic transformation efforts in public education both at the district and statewide level.

We help K-12 agencies and districts:

- Deliver cost-savings that close financial gaps and prioritize student success
- Improve financial management to drive transparency, objectivity, and alignment with priorities
- Evaluate and prioritize curriculum and EdTech investments
- Create efficient organizations and equitable funding models to optimize the value of each dollar
- Analyze district and school operations and cost structures against student need and forecasted enrollment to design and implement district transformation efforts
- Align pandemic recovery funding with proven strategies to address learning loss and other priorities while charting a course for fiscal sustainability post-ESSER



A&M's Success in Transforming a Large K-12 District

A&M is currently working with one of the largest K-12 districts in the country to address a combination of post pandemic challenges. Like many districts, the client faced serious declines in enrollment and revenues and struggled to adjust fiscally and operationally. The client hired A&M to bring a much-needed technical skillset and objectivity to the districts' financial leadership team. In this role, we are improving the effectiveness and transparency of federal funds management, operationalizing a new staffing and compensation model, improving procurement processes and tools and redesigning the district's budget process.

The district extended its partnership with A&M to include a much larger initiative: re-designing the school district's footprint and transforming district operations to achieve lasting fiscal sustainability. We are currently working with the district to re-envision central office supports to schools with a focus on optimizing services that support student success and have developed a master decision-support model, which guides the district in adapting its existing school footprint and long-term capital plan to better serve shifts in student populations.

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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 7,500 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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