



# Integrated Public Sector Education Services

**Case Study Collection**  
**Financial Advisory & Consulting Services**  
MSA # CRCR001411(Effective September 1, 2025)

**November 2025**

**ALVAREZ & MARSAL**

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# Introduction | Representative A&M Education Case Studies

The A&M team brings significant industry knowledge and leadership experience providing financial advisory and consulting services to clients in the education ecosystem including early childhood, K-12, higher education, and academic medical center / health system sectors.

The case studies selected for the collection serve as exemplar representations of A&M’s experience delivering transformative consulting services to clients and driving sustainable results within the education ecosystem.

| Industry Segment                                               | Slide                     |
|----------------------------------------------------------------|---------------------------|
| Higher Education and Academic Medical Centers / Health Systems | <a href="#"><u>3</u></a>  |
| K-12                                                           | <a href="#"><u>34</u></a> |
| Early Childhood                                                | <a href="#"><u>52</u></a> |

# Introduction | E&I Service Area and Sub-service Area Descriptions

For ease in navigating the A&M case study collection, a summary mapping has been included at the beginning of each industry segment section to provide a quick reference of the select client cases and A&M services provided, aligned to the 7 E&I Service Areas associated with A&M’s Financial Advisory and Consulting MSA.

E&I Sub-service Area descriptions have also been provided in the table to the right to further support understanding.

| E&I Service Area               | E&I Sub- service Area Description                                                                                                                                                                                                                                        |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Financial Consulting | <ul style="list-style-type: none"><li>Financial Analysis &amp; Planning</li><li>Capital Structure Advisory</li><li>Financial Performance Improvement</li><li>Mergers &amp; Acquisitions</li><li>Fund Allocation &amp; Budgeting</li><li>Due-Diligence Advisory</li></ul> |
| Tax Consulting                 | <ul style="list-style-type: none"><li>Tax Compliance and Reporting</li><li>Tax Strategy Development</li><li>Tax Controversy &amp; Resolution</li></ul>                                                                                                                   |
| Audit Consulting               | <ul style="list-style-type: none"><li>Compliance Audits</li></ul>                                                                                                                                                                                                        |
| Risk Management                | <ul style="list-style-type: none"><li>Enterprise Risk Management</li><li>Internal Controls Assessment</li><li>Regulatory Compliance</li><li>Forensic Audits</li><li>Insurance Advisory</li></ul>                                                                         |
| Business Valuation             | <ul style="list-style-type: none"><li>Valuation Services</li><li>Financial Modeling</li></ul>                                                                                                                                                                            |
| Grant Management & Compliance  | <ul style="list-style-type: none"><li>Grant Audits</li></ul>                                                                                                                                                                                                             |
| Value-Added Services           | <ul style="list-style-type: none"><li>Financial Crisis Management Planning</li><li>Market Insights &amp; Research Updates</li><li>Scenario Planning &amp; Stress Testing</li><li>Implementation of New Accounting Standards</li></ul>                                    |

Select A&M Higher Education and Academic Medical Center /  
Health System Qualifications

# A&M Higher Education | Summary of A&M Case Studies Mapped to E&I Service Area

|                                           | Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|-------------------------------------------|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| Private University                        | ✓                              |                |                  |            | ✓                  |                          | ✓                                    |                                      |                                      |                                            |
| Ivy League University                     | ✓                              |                |                  |            |                    | ✓                        |                                      | ✓                                    |                                      |                                            |
| State University Medical Center           | ✓                              |                |                  | ✓          |                    |                          |                                      |                                      | ✓                                    |                                            |
| Philanthropic Organization                | ✓                              |                |                  |            |                    |                          |                                      |                                      |                                      |                                            |
| Private University                        | ✓                              |                | ✓                | ✓          |                    |                          | ✓                                    |                                      | ✓                                    | ✓                                          |
| Large Community College                   | ✓                              |                |                  |            |                    |                          |                                      | ✓                                    |                                      |                                            |
| County Community College District         | ✓                              |                |                  | ✓          |                    |                          |                                      |                                      | ✓                                    |                                            |
| Historically Black College and University | ✓                              |                |                  | ✓          | ✓                  |                          |                                      |                                      | ✓                                    |                                            |
| Education Nonprofit                       | ✓                              |                |                  | ✓          | ✓                  |                          |                                      |                                      | ✓                                    |                                            |
| Private University                        | ✓                              |                |                  |            |                    |                          |                                      |                                      |                                      |                                            |
| Medical College                           | ✓                              |                |                  | ✓          | ✓                  |                          |                                      |                                      |                                      |                                            |
| Public College                            | ✓                              |                |                  | ✓          |                    | ✓                        |                                      | ✓                                    |                                      |                                            |
| State University System                   | ✓                              |                |                  |            |                    |                          |                                      |                                      | ✓                                    | ✓                                          |
| Tier One Research University System       | ✓                              |                |                  | ✓          |                    | ✓                        |                                      |                                      | ✓                                    |                                            |
| Top Texan University System               | ✓                              |                |                  | ✓          |                    | ✓                        |                                      |                                      |                                      |                                            |
| State University                          | ✓                              |                |                  |            |                    |                          | ✓                                    |                                      |                                      | ✓                                          |
| Private College                           | ✓                              |                | ✓                | ✓          |                    |                          | ✓                                    | ✓                                    |                                      |                                            |
| Small Northeast College                   | ✓                              |                | ✓                | ✓          |                    |                          | ✓                                    | ✓                                    | ✓                                    |                                            |
| Small Private University in Philadelphia  | ✓                              |                | ✓                | ✓          |                    |                          | ✓                                    | ✓                                    | ✓                                    |                                            |
| Large State University                    | ✓                              | ✓              |                  | ✓          |                    |                          |                                      |                                      |                                      |                                            |

# A&M Higher Education | Summary of A&M Case Studies Mapped to E&I Service Area, Cont.

|                                                                                 |                                                     | Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|---------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| Privileged and Confidential<br>A&M Disputes & Investigations / Compliance cases | Ivy League University                               | ✓                              |                |                  | ✓          |                    |                          | ✓                                    |                                      |                                      |                                            |
|                                                                                 | Ivy League Academic Health System                   | ✓                              |                |                  |            |                    |                          |                                      |                                      |                                      |                                            |
|                                                                                 | Ivy League Academic Medical Center                  | ✓                              |                |                  | ✓          | ✓                  |                          | ✓                                    |                                      |                                      |                                            |
|                                                                                 | Ivy League University                               | ✓                              |                |                  | ✓          |                    |                          |                                      | ✓                                    |                                      |                                            |
|                                                                                 | Ivy League University                               | ✓                              |                |                  | ✓          |                    |                          | ✓                                    |                                      |                                      |                                            |
|                                                                                 | University 1 - Title IX Investigation               |                                |                | ✓                | ✓          |                    |                          |                                      |                                      |                                      |                                            |
|                                                                                 | University 2 – Sex Abuse Investigation and Response | ✓                              |                | ✓                | ✓          |                    |                          |                                      |                                      |                                      |                                            |
|                                                                                 | University 3 – CISO eDiscovery                      |                                |                | ✓                | ✓          |                    |                          |                                      |                                      |                                      |                                            |
|                                                                                 | University 4 – Compliance Audit                     | ✓                              |                |                  | ✓          |                    | ✓                        |                                      |                                      |                                      |                                            |
|                                                                                 | University 5 - Fund-use Compliance                  | ✓                              | ✓              |                  |            |                    | ✓                        |                                      |                                      |                                      |                                            |
|                                                                                 | University 6 – Univ. Wind-down Crisis Mgmt.         | ✓                              |                |                  | ✓          |                    |                          | ✓                                    |                                      | ✓                                    |                                            |
|                                                                                 | University 7 – Financial Aid Investigation          | ✓                              |                | ✓                | ✓          |                    |                          |                                      |                                      |                                      |                                            |
|                                                                                 | University 8 – Student Fraud Claim Investigation    | ✓                              |                |                  | ✓          |                    |                          |                                      |                                      |                                      |                                            |
|                                                                                 | University 9 – Campus Security Assessment           |                                |                |                  | ✓          |                    |                          |                                      |                                      |                                      |                                            |

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|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  |            | ✓                  |                          | ✓                                    |                                      |                                      |                                            |

# Private University

## M&A Strategy



### BACKGROUND ...

- A small \$23.0MM college located in the Northeast had faced significant financial challenges characterized by approximately \$15.0MM in deferred maintenance expenses, declining enrollment, decreasing cash flow and looming substantial debt obligations as student demographics shifted after the pandemic. The Client had multiple merger and acquisition (M&A) opportunities available, as well as options to expand enrollment and revenue, but was unsure of their viability. A&M was engaged to build a report that would be presented at the Client’s annual board retreat to help identify the best path forward to sustain the future of the institution.



### APPROACH ...

- A&M thoroughly evaluated the Client’s financial health and compiled insights into an exhaustive report on the potential paths forward. Specifically, A&M:
  - Interviewed the Client’s Board of Trustees, president, CFO, vice president of fundraising and administrators to understand the college’s current state;
  - Collected and analyzed financial statements, annual budgets, debt agreements and cash flow forecasts to assess the Client’s financial health;
  - Utilized third-party reports, a real estate firm analysis and an overview of the macroeconomic environment and headwinds facing small U.S. colleges to build out the Client’s financial state;
  - Compiled the current state and financial health findings, along with options to sustain the institution, into a comprehensive report and preliminary timeline;
  - Presented the report at the Board of Trustees’ annual retreat over the course of two days, outlining initiatives to bolster funds, M&A opportunities and wind-down options; and
  - Facilitated conversations among the Board members, diving into each option thoroughly and aligning them with priorities.

### OUTCOMES



- A&M gave the Client’s Board of Trustees unprecedented visibility into the institution’s financial state and a strategy to support operations going forward. A&M provided the following benefits to the Client:
- Developed a report with five options to sustain the institution that included financial considerations, actions and risks for each as well as timelines that accounted for academic calendars;
  - Enabled Client leadership to decide on a multifaceted strategy, where three of the proposed options would be pursued simultaneously;
  - Identified opportunities to raise \$10.0MM by the summer to address deferred maintenance costs before students returned for the fall semester;
  - Established the Client’s future mission and priorities to consider when continuing operations and assessing and negotiating potential M&A opportunities;
  - Informed Client leadership of the institution’s current financial health by creating a single source of information created with information from various sources; and
  - Provided a combination of public sector and M&A expertise to the engagement, which positioned the Client to take advantage of the increasing opportunities for growth through M&A in higher education.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  |            |                    | ✓                        |                                      | ✓                                    |                                      |                                            |

# Ivy League University

## Post-Secondary Capacity Assistance Approach



### BACKGROUND ...

- Our client received a grant from a major family foundation to identify available resources – and resource gaps – to strengthen key institutional operating capacities to better serve students. To develop a strategy for an investment approach, the client needed to identify the most promising areas that could help advance institutional transformation for student success. We focused on three operating capacities, identified as particularly challenging for postsecondary transformation: Leadership, Strategic Finance, and Institutional Research.



### APPROACH ...

- Research approach and execution – working with the university client team, A&M took a partnership role in defining the research approach to engage subject-matter experts and services providers to postsecondary institutions. A&M also led an effort to visit with six campus teams across the country to talk to them about their work to improve equitable student outcomes. A&M team led multiple interviews and focus groups and managed a broad survey to collect data-drive results.
- Project management – A&M oversaw multiple aspects of the project beyond research, including timelines, communications tracking, troubleshooting, and managing fidelity to the project plan to deliver a complex research scope in six months.
- Convening planning – as part of the engagement, A&M worked to develop a convening of approximately 60 industry experts and stakeholders to share, learn and advance the research into capacity building in leadership, strategic finance and institutional research.

### OUTCOMES



- A field researched definition of the areas and functions of leadership, institutional research and strategic finance where institutions need to be able to perform in order to be “good at” these core operating capacities.
- An inventory of available resources, tools, and professional organizations to support the target operating capacities, mapped to the necessary areas and functions. This included a gap analysis, identifying where practitioners felt that support was missing and where further investment in resource development was needed to serve the field.
- An investment strategy for the university and major family foundation, with identified areas of work and investment estimates to address needs and gaps for capacity building. This included a framework for identifying future investments and recommendations on scaling. The foundation is currently developing a set of investments while the university has developed a new program to address postsecondary issues identified through the engagement.

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|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  | ✓          |                    |                          |                                      |                                      | ✓                                    |                                            |

# State University Medical Center

## Performance Improvement / Interim Management



### BACKGROUND ...

- Client is the largest osteopathic teaching hospital in the nation and serves as the official teaching hospital for the State University College of Osteopathic Medicine.
- The State University Medical Center Trust and a large Foundation, representing the institution, required strategic direction, review of their market position and development of their position on public policy.



### APPROACH ...

- A&M was retained to help the Medical Center, the College of Medicine, and the members of the Trust (Governing Board) in the development of a new strategic direction for the hospital. After completion of “Phase 1” work, A&M was retained to provide interim management roles and is currently serving as CEO, CFO, and CNO, with assistance from other A&M employees as its project advisory team.
- Within 120 days of stepping in as interim management, A&M specifically identified and implemented cost savings of \$1.2M. In replacing the role of the Client’s previously contracted management services team, A&M developed an internal treasury function, developed an internal compliance function, and implemented payer contract management tools and productivity tools.
- In addition to managing day to day operations, A&M’s focus has undertaken a number of special projects including: creating a medical staff development plan, renegotiating physician contracts for business value and compliance; and improving the hospital’s relationship with the University and local funding sources.



### OUTCOMES

- The engagement is in progress. A&M is currently representing the hospital in seeking ongoing state funding with legislature as well as facilitating potential strategic transaction negotiations.

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| ✓                              |                |                  |            |                    |                          |                                      |                                      |                                      |                                            |

# Philanthropic Organization

## Investment Analysis and Strategy

### BACKGROUND ...

- Having recently developed a research and development (R&D) portfolio within its education group, a large philanthropic organization wanted to frame an investment strategy around learner records, the sum of a person’s lifetime of education. A&M was engaged to identify a theory of action to invest in learner records and to build out a tactical multi-year engagement strategy.

### APPROACH ...

A&M assessed various components of learner record systems to identify a focus for the Client’s investment strategy. Specifically, A&M:

- Performed a landscape analysis of investment relevant topics, including learner microdata, privacy preserving technologies and data interoperability;
- Interviewed Client peer experts to gain perspective on the education and learner record fields;
- Summarized potential areas of focus and created options for potential research investments across the possible investment areas;
- Tailored and scaled investment options to fit the Client’s mission to support underserved communities and leverage digital record tools to assist learners nationally and internationally; and
- Worked with the Client’s leadership and peers to frame investment criteria and prioritized investment options by impact and feasibility.

### OUTCOMES

- A&M created a focused investment strategy that aligned with the Client’s mission and values. A&M provided the following benefits to the Client:
  - Provided the Client with a foundation to decide on an R&D focus and make investment decisions;
  - Developed the Client’s 2024 investment strategy and was further engaged to facilitate the strategy’s execution;
  - Created a multi-year investment plan along with an exit strategy that would keep the results of the investment from dissipating; and
  - Combined experience and expertise in the education data space with the ability to plan around difficult and ambiguous technical problems in a little-known field.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                | ✓                | ✓          |                    |                          | ✓                                    |                                      | ✓                                    | ✓                                          |

# Private University

## Financial Advisory / Interim Management



### BACKGROUND ...

- Major research university with ten undergraduate and graduate schools, including a medical school, spread across four campuses in New York City
- Approximately 6,000 students
- At the time of A&M's engagement, the University faced a liquidity crisis, near-term debt maturities and a substantial annual operating deficit



### APPROACH ...

- A&M was engaged as the Financial and Restructuring Advisor to stabilize operations and develop near and long-term strategies in connection with a sustainable business model
- The team increased cash runway from less than six months to more than three years, including debt refinancing, management of cash disbursements, identification of available liquidity resources and detailed monitoring and reporting on cash projections and liquidity balances
- A&M led discussions with rating and accreditation agencies regarding financial forecasts and restructuring initiatives and created "bottoms-up" budget for the University with material reductions to the operating deficit

### OUTCOMES



- Demonstrated the University as a going concern to the independent auditors, avoiding potential default
- Sold non-core residential properties to enhance liquidity
- Refinanced two near-term debt maturities into one long-term financing
- Implemented operational strategies to generate savings, including reducing corporate support costs and right-sizing administrative infrastructure
- Developed academic restructuring process and achieved significant savings while maintaining academic standards
- Promulgated strategic changes to curriculum and teaching loads, working in concert with provost, faculty and deans

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  |            |                    |                          |                                      | ✓                                    |                                      |                                            |

# Large Community College

## Budget Prioritization and Stakeholder Facilitation



### BACKGROUND

- Our client is the largest community college in a state. It is a member of the state's Board of Community and Technical Colleges (SBCTC).
- In order to address the ongoing fiscal challenges of the college, the Interim President convened a representative group of stakeholders to “generate bold and actionable recommendations for how BC can, over the next several years, use its financial resources to deliver better outcomes to its students and community that achieve equity and inclusion and ensure the organization’s long-term fiscal sustainability.” This 27-member group became known as the Budget Stakeholder Group (BSG) and met at least weekly from mid-August 2020 to mid-March 2021.
- A&M was engaged to facilitate the BSG’s sessions and coordinate with internal and external stakeholders to help the BSG complete its budget prioritization exercise. The goals of this exercise were to –
  - Create a set of guiding principles to employ in the development of recommendations, ensuring equity is at the forefront
  - Develop recommendations for sunseting and opportunities for investment in specific college programs targeted at ensuring the long-term financial health of the college



### APPROACH

- Created a workplan and timeline to ensure the BSG met its stated goals by March 2021
- Facilitated weekly sessions among the 27 BSG members to guide the BSG through their budget prioritization exercise
- Coordinated with internal and external stakeholders to ensure quantitative and qualitative information was provided as part of the BSG’s evaluation of the college’s budget
- Compiled the final report of recommendations and submitted it to the Interim President and college’s Cabinet
- Facilitated a town hall between the BSG, the state governor, and the larger college community to review the recommendations of the report and field questions about next steps



### OUTCOMES

- Developed a report with 9 key recommendations for program sunseting and efficiencies, and 4 additional areas for budget investment
- Presented the report to Interim President and Cabinet for consideration
- Recommendations were implemented in FY22

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  | ✓          |                    |                          |                                      |                                      | ✓                                    |                                            |

# County Community College District

## Organizational Assessment



### BACKGROUND ...

- The client is a County's Community College District - one of the largest community college systems in the country
- The client sought to achieve the Chancellor's vision in the context of the economic downturn and the associated impacts, that it faces numerous challenges, including:
  - How does the client unify the student experience for the client students when the college locations and individual campuses have differing cultures and approaches to handling student services, academic advising and counseling.
  - How does the client prepare for an increase in enrollment while the District's budget is decreasing?



### APPROACH ...

- Present a potential new vision and framework for redesigning the client around these core processes from the perspective of students and how to serve them more efficiently and effectively.
- Obtain feedback and consensus.
- Review findings with stakeholders and obtain feedback on revised administrative, financial and operational functions.
- Present recommendations and final report to the Board for approval.
- Present findings to the community as the Board directs.



### OUTCOMES

- Identified cost savings to client ranging from \$29M to \$48M
- Review of client's organizational structure
- Increased efficiency through back-office cost reductions
- Realigned organizational structure and identified non-essential areas

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|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  | ✓          | ✓                  |                          |                                      |                                      | ✓                                    |                                            |

# Historically Black College and University

Interim Management, Financial Advisory, and Real Estate Advisory and Negotiation



## BACKGROUND

- Gentrification of the community surrounding the university's hospital drove significant declines in patient volume. Lack of cost management resulted in material operating losses at the hospital for several years
- Declines in enrollment coupled with deeper tuition discounting were leading to losses at the university
- As an institution with valuable assets and limited capital liquidity, the client is monetizing real estate and infrastructure assets to fund academic programs and to reinvest in campus facilities



## APPROACH

- Served interim management at Client's University Hospital, including CEO and CFO, of the 241-bed hospital. As interim managers, A&M was responsible for restoring the financial viability of the hospital
- Served as financial advisor to the university assessing the overall cash position and liquidity management. Met with banks to negotiate new line of credit for university
- Served as the Project Management office for university's real estate office, focused on formulating and executing immediate, mid-term and long-term real estate development strategies

## OUTCOMES



- Hospital efforts included improvements to liquidity and working capital, and improved the financial performance of the hospital from an EBIDA loss of (\$34M) to breakeven within 9 months
- Advisory efforts at the University resulted in assessment of how extensive the liquidity issues were, the development of strategic alternatives to address the accumulated vendor liabilities and development of long-term liquidity requirements necessary to fund turnaround of the university
- Real Estate advisory efforts are leading to the monetization of non-core real estate assets and investments – through P3 transactions - in the core real estate portfolio. Efforts are critical to the turnaround of the University.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  | ✓          | ✓                  |                          |                                      |                                      | ✓                                    |                                            |

# Education Nonprofit

## CFO Advisory Services



### BACKGROUND

- Client is a mission-driven nonprofit organization, known for standardized testing, but that also provides a number of additional solutions to help students on the path to college and career readiness.
- The organization, through various strategic acquisitions over the last few years, depleted a substantial portion of its liquidity reserves. The COVID-19 pandemic brought additional operational and financial pressures, resulting in test cancellations and test center closings, causing the organization face even more liquidity depletion, and putting the organization at risk of meeting its debt covenants, and its ability to continue to operate as a going concern beyond the short-term. With no CFO in place, the organization struggled to make financial decisions that would limit financial losses and set the organization up for future success.



### APPROACH

A&M was engaged to provide CFO advisory services to the organization with the goal of assessing its financial state, identifying cost saving and revenue enhancement opportunities, and presenting financial information to Management and the Board of Directors in a way that could drive decision-making. A&M:

- Identified quick-win cost savings opportunities to limit the organizations FY20 losses and to set the organization on a path to achieve break-even operating income in FY21
- Built a 52-week cash flow model the for the organization to enhance decision making and to ensure compliance with debt covenant ratios
- Provided financial and accounting advice regarding various transactions
- Analyzed assets to identify additional opportunities to generate liquidity
- Facilitated the creation of alternate budget scenarios and a contingency plan to enable the organization to weather future uncertainty



### OUTCOMES

With A&M's leadership and support, the organization was able to:

- Meet its debt covenant tests, ensuring that debtors would not call for repayment of all outstanding debt
- Preserve liquidity of the organization through implementation of various cost saving strategies
- Improve accountability, Board and creditor confidence, and financial transparency
- Create and prioritize a contingency plan that could be accessed if/when financial performance falls short of budget

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|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  |            |                    |                          |                                      |                                      |                                      |                                            |

# Private University

## ERP Planning Project



### BACKGROUND ...

- The client requested a planning and cost analysis for an ERP implementation and on-going maintenance to support eight of the client's academic institutions in converting from their current legacy ERP systems to Oracle/PeopleSoft Financials and HR/Payroll.
- The final report and presentation produced from the project information collection and analysis are intended to provide a package of briefing materials to be presented to the institutions in December 2008.
- The goal is to offer the institutions a clear set of costs and options for participating in the broader Oracle/PeopleSoft implementation.



### APPROACH ...

Through a nine-week effort with a team of three FTEs plus SMEs, Alvarez & Marsal was engaged to provide:

- Project Management and coordination of other related initiatives that may impact the ERP planning and cost estimates.
- An estimate of costs for the transition itself with breakdowns showing how much overall costs and individual costs would vary depending on the number of institutions participating in the program, as well as estimates of the costs for each institution to implement PS Financials/HRMS on their own.
- Conduct a high-level gap analysis at one institution in order to develop a scope baseline for the level of effort required to convert major business processes, state and client mandated reports and functionality, and external data interfaces with legacy systems.
- An analysis and recommendations on whether it would be more advantageous for client to host the shared instances of PeopleSoft in their existing data center or contract out to a commercial hosting service.

### OUTCOMES



- Report was delivered to client; they are evaluating their options for moving forward with a consolidated ERP system.

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|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  | ✓          | ✓                  |                          |                                      |                                      |                                      |                                            |

# Medical College

## Sponsorship / Transition Advisory



### BACKGROUND ...

- The College consists of three schools — the School of Medicine, the Graduate School of Basic Medical Sciences and the School of Health Sciences and Practice.
- The College was founded in 1860 by a group of city civic leaders. Today, it is one of the largest private health sciences universities in the nation.
- 1,400+ students, 1,300+ residents and clinical fellows, and 3,000+ faculty members
- The College has been sponsored by the Archdiocese of the state since 1979. The Archdiocese has recently explored options to be replaced as the College's corporate sponsor. A&M has assisted the College and its Board in this endeavor.



### APPROACH ...

- A&M performed assessment and diligence services on various prospective corporate sponsors to evaluate each sponsor-candidates' financial and operational suitability of performing as a sponsor.
- A&M's work entailed a detailed evaluation of each party's current operations and financial strength and their ability to support the College's continuing needs and Mission.
- A&M advised the College and its Board regarding potential benefits and risks with respect to being sponsored by selected parties. Additionally, A&M reviewed certain structural issues related to both the sponsorship replacement itself and the subsequent undertakings by the new and departing sponsor.

### OUTCOMES



- A&M supported the College and its Board and negotiated improved sponsorship terms.

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# Public College

## Overview of College Operations



### BACKGROUND ...

- The client is a four-year public college that serves first-generation and Hispanic students. Beyond liberal arts programs, it also has schools developing the next generation of nurses, educators, business leaders, and social workers. The client has developed a structural deficit of \$16MM. The college and the State struggle to understand the driver of this deficit.
- The COVID-19 pandemic added further strain on the academic institution when enrollment continued to decline while costs to provide education have increased.



### APPROACH ...

- A&M was engaged in assessing the college operations, including organization insights, program data, programmatic profitability, and improve federal funds. Specifically, A&M:
  - Developed an understanding of the structural deficit for recommendations for the next fiscal year budget;
  - Interviewed key staff members to understand the challenges the institution was facing;
  - Analyzed programmatic and enrollment data to develop insights into the current operating model;
  - Combined financial and program data to develop an understanding of programmatic profitability; and
  - Evaluated whether the college was maximizing the use of federal funds both for operations and students.



### OUTCOMES

- A&M furnished insight and value to the Client in the following ways:
  - Created a Tableau dashboard compiling key data collected and provide insights into trends in enrollment and student outcomes;
  - Developed a unit cost model to understand profitability by program (both graduate and undergraduate);
  - Identified the potential qualification for federal Hispanic serving institution grant;
  - Provided insights into statewide enrollment programs involving community college admission and NE neighbors program; and
  - Developed metrics tracking retention and graduation rates for various admission programs.

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# State University System

## BPM Vision, Process Improvement and Technology Enablement



### BACKGROUND ...

- The client has a vision of building a common chart of accounts design and standardized reporting across all 15 operating entities within the School and Administration System.
- Focus is on management reporting and consolidation capabilities including the ability to roll-up to entity levels and provide drill-down analysis capabilities
- To manage this effort, the client has divided the effort into two phases:
  - Phase 1: Accounting Key Design and System Selection – The foundation phase to identify the elements of the new accounting key, define the chart of accounts, and assess the organization structure required to accommodate the client's consolidation and reporting needs now and for the future
  - Phase 2: Implementation – The phase for executing the plan and installing the application chosen



### APPROACH ...

- Definition of a meta data model beyond standard P/L and Balance Sheet accounts (i.e., fund, entity, cost center, mission, etc.) for the nine academic and six health institutions, as well as their satellite branches
- Analysis of Institution feeder systems and how their data formats will map into the system level data model
- Design state university System-level Financials (Monthly Financial Reports MFR, Quarterly reports) as well as Institutional level reporting (in a common format as reported to client)
- Lead and manage the appropriate software evaluation and selection (selected Hyperion Financial Management)
- Facilitate the implementation of the Hyperion product suite (Design, Build, and Testing) and associated deployment and change management

### OUTCOMES



- Established consistent data definitions and uniform accounting key structure. Create one central source of data and calculations for the client for all management and regulatory reporting
- Eliminated manual processes wherever possible (i.e., one-off spreadsheet activity) so long as the automation costs are not prohibitive. Eliminate duplicative reporting and manual support processes as well as shadow systems such as Excel reports, Recognize downstream implications to any state university System data model changes and create the ability to support many reporting hierarchies / alternate reporting views.
- Selected User-friendly tools with the ability to view and filter data from multiple supporting systems on an ad-hoc basis and ensure data quality from the source applications (i.e., consistent feed from Institutions)
- Identified benefits for academic / health institution level (internal best practices, project lessons, current tools, etc.)

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# Tier One Research University System

## Compliance Strategy for Research



### BACKGROUND ...

- As a tier one research university, the client executes a significant number of projects financed by Department of Defense grants. In late 2015 new cybersecurity regulations were issued by the DoD that require sensitive data/information to be adequately protected and monitored by December 31st, 2017.
- Failure to comply with the new cybersecurity regulations could lead to the cancellation of active and future DoD projects and have an adverse impact on retention and recruitment of top researchers to the university.



### APPROACH ...

- A&M was engaged to identify the client's compliance gaps against the new cybersecurity regulations and define a sustainable solution (people, process, technology) to address the gaps before the compliance deadline.
- A&M designed a shared services function that will enable the client to:
  - Replace complex organizational, governance, and process models with simpler models that decrease costs, increase efficiencies and decrease risks
  - Centralize and standardize the tools and processes used for DoD projects
  - Drive cost reductions and lower risk through virtualization, consolidation of servers and storage and creation of shared services back office functions
- Specifically, A&M's recommended solution consisted of:
  - Research Security Office – a new organization focused on providing compliance and technical service for DoD projects and other federal technical regulations at the university
  - Secure Enclave – a secure computing environment designed to protect sensitive DoD data/information
  - Security Operations Center – a cybersecurity center well equipped to provide constant monitoring and reporting required by the DoD

### OUTCOMES



- A&M recommendations were positively accepted by the client's IT and research leadership and are being considered for funding approval by executive leadership at the system level.

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# Top Texan University System

## ERP Planning Project



BACKGROUND ...

- As a tier one research university, the school executes a significant simultaneous number of projects financed by Department of Defense grants. In late 2015, new cybersecurity regulations were issued by the DoD that require sensitive data/information to be adequately protected and monitored by a deadline of December 31, 2017. Realizing that failure to comply with the new cybersecurity regulations could lead to the cancellation of current and stoppage of future research awards, the school engaged Alvarez & Marsal to assess the System’s preparedness and develop a plan for compliance built upon a resilient cybersecurity posture.



APPROACH ...

Alvarez & Marsal was engaged to identify the school’s compliance gaps against the new cybersecurity regulations and define a sustainable solution (people, process, technology) to address the gaps before the compliance deadline.

- Alvarez & Marsal designed a shared services function that will enable the school to achieve compliance with the NIST 800-171 and DFARS regulations and achieve a strong protective posture
- Replaced disparate and complex organizational governance models with centralized simpler models that increase security, assure compliance and simplify operations
- Our multipronged recommended solution consisted of Research Security Office, the build out of a secure enclave and the establishment of a Security Operations Center



OUTCOMES

- Project was delivered to client according to the parameters and scope outlined

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State University

Financial Transformation



BACKGROUND ...

- The State Department of Finance and Administration engaged Alvarez & Marsal to support the state university’s board in responding to its growing financial distress and liquidity risks.



APPROACH ...

- A&M’s efforts spanned two phases. In the first phase, A&M generated an updated FY25 budget, forecasted cash flows and identified the university’s “cash cliff,” and generated in-depth context on the drivers of the institution’s financial trajectory. In the second phase, A&M assessed operating functions that would be critical to driving institutional transformation, including: financial aid, bursar, enrollment management, student services, budget and planning, internal controls, and information technology.



OUTCOMES

- Across phases 1 and 2, A&M synthesized findings, identified priority performance improvement initiatives, and proposed a comprehensive transformation plan inclusive of immediate, short-term and long-term actions.
- A&M presented status updates and summary findings to the state Department of Finance and Administration, and A&M collaborated with the state university’s board, executive leadership, and functional leadership throughout the generation of insights and recommendations.

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# Private East Coast College

## Merger Facilitation

 **BACKGROUND**

- Private College, a small liberal arts institution renowned for its performing arts programs, faced significant challenges stemming from declining enrollments, rising operational costs, and projected demographic shifts that threatened its long-term sustainability. In response, the client's leadership proactively pursued a merger to secure the college's future and entered a Letter of Intent (LOI) with a large, innovative institution known for its experiential learning model and global campus network. However, as negotiations stalled, the client recognized the need for an experienced advisor to stabilize discussions and coordinate between its investment bank, legal counsel, and the large institution.

 **APPROACH**

- A&M was engaged to support the client through the complex merger process, providing program management, due diligence, regulatory compliance advisory, and integration support. A&M's role included:
  - Stakeholder Interviews: Conducted interviews with the client's leadership to assess institutional goals for the transaction.
  - Program Management Office (PMO): Established a PMO to coordinate all transaction operations through a centralized governance model and established a reporting cadence to the large institution by collecting documents from the client and running the data room.
  - Transaction Negotiation: advised the client leadership as it negotiated with the large institution and facilitated document collection to reach a Memorandum of Understanding and Definitive Agreement with the large institution.
  - Regulatory and Accreditation Coordination: Assisted both institutions in preparing for the rigorous regulatory and accreditation approvals necessary to finalize the merger, developing documentation and creating timelines to meet key milestones.

**OUTCOMES**

- A&M helped the client first reach a Memorandum of Understanding and ultimately a Definitive Agreement with a large institution. The merger was announced in May 2024. This was the first transaction of its kind the state where an out of state university system acquired a state-based college.
- A&M's oversight ensured an organized regulatory compliance process with the State Education Department, U.S. Department of Education, and Middle States Commission on Higher Education. A&M also facilitated the timely submission of required documentation to regulatory bodies for merger approval.
- The merger secured the client's financial future, providing access to new markets and leveraging the large institution's experiential learning model, positioning the new campus to navigate future demographic challenges. It also unified student management, academic, and operational systems, while preserving key the client programs like performing arts and prison education.
- The client has been rebranded, combining the large institution's global brand with the client's strengths in performing arts and interdisciplinary programs.

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# Small Northeast College

## Merger Facilitation



### BACKGROUND

- A small \$23M college located in the Northeast had faced significant financial challenges characterized by approximately \$15M in deferred maintenance expenses, declining enrollment, decreasing cash flow and looming substantial debt obligations as student demographics shifted after the pandemic. The Client had multiple merger and acquisition (M&A) opportunities available, as well as options to expand enrollment and revenue, but was unsure of their viability. A&M was engaged to build a report that would be presented at the Client's annual board retreat to help identify the best path forward to sustain the future of the institution



### APPROACH

- A&M thoroughly evaluated the Client's financial health and compiled insights into an exhaustive report on the potential paths forward. Specifically, A&M:
  - Interviewed the Client's Board of Trustees, president, CFO, vice president of fundraising and administrators to understand the college's current state;
  - Collected and analyzed financial statements, annual budgets, debt agreements and cash flow forecasts to assess the Client's financial health;
  - Utilized third-party reports, a real estate firm analysis and an overview of the macroeconomic environment and headwinds facing small U.S. colleges to build out the Client's financial state;
  - Compiled the current state and financial health findings, along with options to sustain the institution, into a comprehensive report and preliminary timeline;
  - Presented the report at the Board of Trustees' annual retreat over the course of two days, outlining initiatives to bolster funds, M&A opportunities and wind-down options; and
  - Facilitated conversations among the Board members, diving into each option thoroughly and aligning them with priorities.

### OUTCOMES



A&M gave the Client's Board of Trustees unprecedented visibility into the institution's financial state and a strategy to support operations going forward. A&M provided the following benefits to the Client:

- Developed a report with five options to sustain the institution that included financial considerations, actions and risks for each as well as timelines that accounted for academic calendars;
- Enabled Client leadership to decide on a multifaceted strategy, where three of the proposed options would be pursued simultaneously;
- Identified opportunities to raise \$10M by the summer to address deferred maintenance costs before students returned for the fall semester;
- Established the Client's future mission and priorities to consider when continuing operations and assessing and negotiating potential M&A opportunities;
- Informed Client leadership of the institution's current financial health by creating a single source of information created with information from various sources; and
- Provided a combination of public sector and M&A expertise to the engagement, which positioned the Client to take advantage of the increasing opportunities for growth through M&A in higher education.

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# Small Eastern Private University

## University Orderly Wind Down

BACKGROUND

- The client, a 150+ year-old arts-focused institution located in Pennsylvania, faced a critical financial crisis in mid-2024. On May 31, 2024, the university’s leadership announced the imminent closure of the university, effective June 7, 2024, due to a severe depletion of cash reserves. Following the announcement, the university’s accreditation from the Middle States Commission on Higher Education was revoked, which further accelerated the need for an orderly wind-down. In light of these challenges, the university’s Board of Trustees retained Alvarez & Marsal (A&M) to oversee the comprehensive closure process, addressing an array of institutional, financial, regulatory, and stakeholder issues.

APPROACH

- A&M rapidly established a Program Management Office (PMO), coordinating 15 critical workstreams across functions such as academic operations, HR, legal, IT, facilities, and finance. This centralized structure ensured consistent reporting and alignment with the university’s Board on timelines and regulatory requirements. The main areas of focus included:
  - Academic and Student Affairs Support:** A&M facilitated student transcript preservation, transfer credit, and teach-out agreements to safeguard student outcomes. This ensured continuity for students transitioning to other institutions.
  - Regulatory and Accreditation Compliance:** A&M worked closely with the Middle States Commission and state authorities to ensure compliance with federal and state standards, managing all necessary documentation for an orderly closure.
  - Stakeholder Engagement and Communication:** Through strategic engagement with faculty, students, and government representatives, A&M maintained clear communication and minimized reputational risks during the wind-down process.
  - Financial and Asset Management:** A&M provided financial oversight, including asset review and controlled liquidation, to sustain essential services and ensure operational stability through the final stages of closure.

OUTCOMES

With A&M’s strategic leadership, the university successfully completed the wind-down process while meeting key institutional goals:

- Student Transition Support:** Successfully implemented teach-out arrangements that allowed students to continue their education at partner institutions, minimizing disruptions to their academic progress.
- Regulatory Compliance:** Achieved full compliance with all federal, state, and accreditation regulations governing university closures, ensuring an orderly process without jeopardizing legal standing or facing penalties.
- Operational and Financial Stability through Closure:** Enabled a controlled wind-down of the university’s operations and mitigated the risk of bankruptcy, fully preserving financial and academic integrity possible during the final stages of operation.

By guiding the client through a structured and comprehensive closure, A&M demonstrated its ability to deliver a measured, strategic approach to complex institutional challenges, minimizing negative impacts on students, faculty, and the wider community.

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# Large State University

## Tax Services



### BACKGROUND

- A&M Tax has acted as tax advisor for a large public university with over 40,000 students and multiple locations for many years.
- Services have included:
  - Representing the organization before the IRS and state taxing agencies
  - Preparing or reviewing annual income tax returns
  - Analyzing endowment investments
  - Reviewing unrelated business income activities
  - Updating university management on tax changes



### APPROACH

- Our approach is flexible based on the university's needs. For example, in years when the university's tax office is understaffed due to turnover, we have taken responsibility for tax return preparation. When the university has sufficient internal expertise, we have reviewed the returns to minimize the external costs. In addition, we have trained university personnel with no tax background to take on much of the internal tax function.
- Developing tax reporting protocols for international investments and activities
- We have also successfully prepared and shepherded refund claims in excess of \$2M through the IRS



### OUTCOMES

- Reduced external costs of tax compliance by maximizing internal resources
- Preparing and obtaining IRS refunds in excess of \$2M
- Advising management of potential federal and state tax exposures
- Providing tax advise on a variety of tax issues including sponsorship contracts, employee benefits, unrelated business income, foreign tax reporting requirements, and endowment investments

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# Ivy League University

## Accelerated Response to Financial Disruption



### BACKGROUND

A&M was engaged by a leading private research institution that was subject to severe and abrupt financial disruption stemming from the implementation of the federal administration's higher education agenda. Specifically, the institution was subject to financial impacts via the 1) elimination of existing research-grant funding, 2) limitations on the federal government's future investment in university research, 3) new costs related to the institution's endowment size, and 4) enrollment loss in select programs that primarily served international students. In parallel, the institution was managing impacts of negative public relations related to its approach to student and faculty discipline, leading to leadership turnover and governance turmoil. In response, the institution sought a partner that could accelerate assessment and transformation across a range of "high-priority" areas – which were identified based on their potential for financial and operational impact to the institution. Assessment areas included: board governance, research administration, HR and finance business services, and alumni development.



### APPROACH

- A&M stood up work teams dedicated to each high-priority assessment area, as well as central project management work team.
- A&M has generated insights and recommendations in each area to support the institution as it quickly adapts to new funding realities.
- Insights were generated via stakeholder surveys, benchmarking against Ivy-League peer institutions, data analyses, and iterative engagement with constituents.
- A&M is in the process of supporting the institutions through the implementation of recommendations, as well as its identification of its next wave of priorities as its potential financial scenarios continue to take shape.

### OUTCOMES



Example recommendations our teams have delivered as part of our ongoing work include:

- **Governance Redesign:** Updates to university governance structures and protocols in response to institutional feedback and emerging risks.
- **Research Administration Transformation:** Adoption of greater shared research infrastructure in response to uncertainty related to research funding.
- **Shared Administrative Services:** Adoption of a regional shared-services model for select HR and Finance functions across central administrative units to realize cost savings, operational efficiencies, and quality improvement.
- **Alumni Engagement Modernization:** Redesign of approaches to alumni engagement, data management, and campaign management.

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# Ivy League Academic Health System

## Strategy & Client Acquisition Assessment



### BACKGROUND ...

Client is a nonprofit academic health system that serves 1.9 million residents New England with more than 9,000 employees and 1,400 providers across New Hampshire and Vermont. Anchored by Client Medical Center in NH, the system has focused on geographic expansion in New England and now has 30 outpatient clinic locations including clinics in NH and VT; and affiliate hospitals in NH and VT. Client signed a letter of intent (LOI) with a regional hospital and were in the process of negotiating a definitive agreement with the intention of creating an integrated health system that optimized the use of resources to enhance quality, outcomes and access to care, while reducing costs.



### APPROACH ...

- A&M was jointly retained by the Client and the potential partner hospital to conduct a comprehensive review and analysis of the current operating and financial performance and expected future operating and financial performance of the integrated health system with the contemplated transaction.
- Additionally, A&M identified a set of Preliminary Benefit Categories with an associated value analysis that could be realized upon completion of the contemplated transaction, including:
  - Population Health, including consideration of quality, outcomes and access to care, cost of and value of care
  - Health Care and Population Health Infrastructure and Capital
  - Facility Quality and Program Planning
  - Physician Needs and Management
  - Academic Mission, including research and education

### OUTCOMES



- After completion of the initial analysis and creation of the Preliminary Benefit Categories, the partner hospital's Board decided to initiate a formal Request for Proposal (RFP) to acquire the hospital.
- Ultimately, the partner hospital's Board opted to pursue an affiliation with another system due to a greater capital commitment.

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# Ivy League Academic Medical Center

## Transformation and Financial Turnaround



### BACKGROUND

Client is a health system comprised of four hospitals including an academic medical center and a pediatric behavioral health hospital, a physician group, over 30 ambulatory care sites, 1,165 licensed beds, over 14,000 full-time equivalent employees, 600 employed physicians and total annual net revenue of \$2.6 billion. In 2019, A&M assisted the Client with an organizational assessment, merger due diligence, various performance improvement initiatives and development of a pediatric psychiatry telehealth program. In 2021, A&M was hired by the Board to help form a Transformation Office (TO) and accelerate several operational, financial and strategic initiatives. Most recently, the financial situation arising at Client—driven by the national staffing shortages, high inflation, throughput challenges and a high governmental payor mix—has caused the TO to pivot to a financial recovery plan.



### APPROACH

- A&M provided the CEO with a comprehensive evaluation of the leadership team and the organization's overall readiness to implement transformative change.
- 8 priority areas were established and staffed to support achievement of Client's 5-year strategic plan.
- A&M's role has included leadership advisory, interim management (Transformation Office Executive Director), project management, and analytical support. A&M has also assisted with the integration of a 100-physician primary care group, development of Client's overall physician unification strategy, and evaluation of the business case for a consolidated service center.
- A&M led the pivot and acceleration of the FY2022 Recovery Plan, which prioritized 10 short-term, high-impact financial improvement initiatives, spanning from payor contracting to length of stay, perioperative services, pharmacy, revenue cycle and energy.
- A&M is also in the midst of a comprehensive review of the next fiscal year budget and will deliver an assessment to the Board summarizing the budget's key identified vulnerabilities and opportunities, overall confidence in achieving the budget if unchanged, and recommended actions.

### OUTCOMES



- Formation of Transformation Office governance and structure.
- Identified key leaders and participants in the organization to help implement lasting change.
- Led the development of a financial recovery plan focused on short-term financial improvement. Helped generate over \$150M in return on investment.

#### Impact Included:

- Improved operational and financial performance
- Identification of key leaders and transformation participants
- Cultural shaping and momentum

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# Ivy League University

## University Advancement and Development Target Operating Model



### BACKGROUND

The University was experiencing inconsistent fundraising results, with many key metrics, such as Cost Per Dollar Raised (CPDR) and Alumni Participation, lagging peers. Their decentralized structure made it difficult to access and monitor key data to understand root causes of and potential solutions to the challenge. Legacy approaches to budgeting and resource allocation stifled growth and collaboration while ongoing leadership transitions created a vacuum and lack of a unified mission and vision for fundraisers and alumni engagement staff. Leaders identified a need to establish a Target Operating Model to enable sustainable fundraising growth and ensure more efficient and effective resource deployment. Simultaneously, budget cuts across the University's administration created urgency around benchmarking performance, shifting staff and budget toward frontline and frontline supporting positions, and outlining a governance and service model to support and sustain the transformation.



### APPROACH

Alvarez & Marsal partnered with the central advancement leadership team to conduct a ten-week assessment of the University's current state organizational structure, budget model, and fundraising performance and to recommend a more efficient and growth-oriented Target Operating Model. The goal was to establish a baseline and peer benchmarks, map investments against strategic priorities and opportunities, and make recommendations to enhance efficiencies and collaboration.

The A&M team completed the following:

- Current state analysis: Reviewed historical data at the university, school, and function level. Areas of inquiry included fundraising efficiency, yield to capacity, staffing balance, and capitalization on shared resources including technology platforms and solutions.
- Peer benchmarking: Conducted outside-in analysis of 8 peer institutions and direct interviews with 3 peers to understand where the university was leading or lagging regarding CPDR, commitments and cash by giving band, alumni participation, and more.
- Recommendations and roadmap: Presented 10 core recommendations with 30+ specific sub-recommendations touching structure, processes, tools, governance, and culture. Shared framework for implementing recommendations and partnered with central leadership to begin the transition.

### OUTCOMES



- Created a Target Operating Model to establish a more agile, collaborative, and donor-centric fundraising environment.
- Outlined cultural obstacles and helped create a plan to improve alignment between schools and teams.
- Identified and sparked inquiry into potential issues including a growing gap between commitments and cash.
- Highlighted discrepancies in structural balance and fundraising efficiency between schools, creating a case for targeted centralization.
- Recommended automation of low-impact, back-end functions to prioritize resourcing of high-impact, front-end positions.
- Presented innovative opportunities to strengthen operations in priority areas such as major gifts and principal gifts.
- Provided leadership with the framework and momentum needed to foster a more ambitious and collaborative culture.

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# Ivy League University

## Research Operations Efficiency Assessment

### BACKGROUND

The University faced a significant challenge when its \$1.4 billion research enterprise—spanning more than a dozen schools, hundreds of laboratories, and thousands of active grants—was threatened by \$400 million in federal funding reductions. These cuts placed increasing pressure on its ability to sustain world-class research output, faculty competitiveness, and administrative efficiency. As the fiscal environment tightened, longstanding fragmentation in research administration, technology, and compliance oversight became more visible. Leaders recognized the need to modernize and align research operations to support a growing and increasingly interdisciplinary research portfolio. In response, the University established a Presidential Taskforce on the Research Mission, charged with evaluating the institution’s research infrastructure, governance, and support functions. A cross-unit workgroup was convened to identify structural barriers, assess operational risks, and develop actionable strategies that would help the University’s research enterprise remain effective, resilient, and globally competitive amid evolving funding and regulatory landscapes.

### APPROACH

Alvarez & Marsal partnered with a workgroup of university leaders, faculty, and staff to conduct a six-week structured engagement assessing the University’s research operations. The goal was to identify barriers, quantify inefficiencies, and uncover opportunities to modernize and scale research support across all levels of the institution.

The team took a holistic look at how research is supported and managed—from proposal development and compliance oversight to award administration, reporting, and post-award support. Particular attention was paid to how central and school-level offices coordinate services, where responsibilities overlap, and how processes could be better aligned to reduce administrative burden.

The review also explored how technology systems, governance practices, and staffing models influence the efficiency and consistency of research operations. In addition, it examined challenges related to space utilization, resource sharing, and talent retention, all of which affect the University’s ability to sustain a competitive and collaborative research environment.

Using peer benchmarking and data-driven analysis, A&M validated assumptions about operational inefficiencies and identified clear opportunities for improvement. The engagement culminated in a report outlining 23 initiatives to strengthen the University’s operating model, organizational alignment, and use of technology and data, providing a roadmap for scalable, sustainable research growth.

### OUTCOMES

- The diagnostic revealed that the University’s decentralized research support model limited scalability and efficiency.
- Inconsistent pre- and post-award processes, combined with fragmented systems and workflows, led to duplicative effort.
- Significant underutilization of research space and shared equipment was also identified.
- The assessment pinpointed 23 near-term opportunities to streamline operations, optimize capacity, and unlock over \$245 million in research potential through cost savings and enhanced revenue generation.
- Recommendations were grouped into phased rollout stages aligned to CapEx, OpEx, and resource maturity to support sustainable long-term improvement.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting  | Risk Mgmt.        | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|-------------------|-------------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓-2<br>✓-3                     |                | ✓-1<br>✓-2<br>✓-3 | ✓-1<br>✓-2<br>✓-3 |                    |                          |                                      |                                      |                                      |                                            |

# Confidential Universities

## Select Disputes and Investigations / Compliance Case Studies

*Privileged and Confidential*

1

An A&M expert\* was in house counsel for major R1 research university and led internal and government investigations, identified legal issues, provided support, drafted policies and procedures, and offered legal advice to balance and mitigate risk regarding Title IX to the university system and healthcare services organization. Our expert successfully revised system-wide Title IX policies and procedures to comply with new regulations, and advised Title IX coordinators, hearing panels and chairs, and investigators.

*\*Performed by a current A&M expert at a prior firm.*

2

An A&M expert\* led a large team that was responsible for providing a complex portfolio of services to the legal department and CISO of a private university, including: forensic data collections and analysis, discovery analytics and discovery playbook development, enhancing the internal IT staffing, and overseeing the provision of eDiscovery services on over 200 investigations and litigations.

3

A&M expert\* led the eDiscovery team that comprehensively covered the discovery response and data collections for a 35,000-student university responding to sexual abuse allegations, including:

- Managing the M365 environment to deploy 300 litigation holds and execute collections.
- Working side by side with counsel to conduct data scoping interviews and serving as a point of contact for the various IT department heads.
- Deploying a discreet environment to host highly sensitive data accessible only by certain pre-approved individuals.
- Managing the requests and data for members of the Board of Trustees and President of the University, including maintaining walled-off environments to manage privilege concerns.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓-4<br>✓-5<br>✓-6              | ✓-5            |                  | ✓-4<br>✓-6 |                    | ✓-4<br>✓-5               | ✓-6                                  |                                      | ✓-6                                  |                                            |

## Confidential Universities

### Select Disputes and Investigations / Compliance Case Studies

*Privileged and Confidential*

4

A&M performed a compliance review of a major contract with the university's medical school. We developed recommendations for compliance improvement and transparency, including implementation of a new business tracking platform. Further, we recommended new information dashboards for daily monitoring and revised periodic reporting. We also recommended a new contract management function and developed job requirements for the positions. We worked directly with the Chief Operating Officer, General Counsel, the Dean, and various other stakeholders.

5

A prominent medical school and healthcare provider engaged A&M to establish a Project Management Office (PMO) with the purpose of facilitating identification of, application for, distribution of, and funds use compliance with various components of Federal aid offered in response to the COVID-19 pandemic. Government funding sources included multiple CARES Act (e.g., Provider Relief Funds, Higher Education Emergency Relief Funds, Employee Retention Credit, Payroll Tax Deferral Program, etc.), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) provisions, and FEMA. A&M's liquidity team also developed an improved working capital model to better time invoicing and collection efforts and helped develop baseline contribution margins for each department.

6

A private university hired A&M to support the immediate closure of the university's operations. A&M public sector and investigations professionals supported the university by developing external-communications protocols; identifying, preserving, and liquidating assets; and managing daily operations, including payroll and vendor payments. A&M also established a customer call center within days of the closure announcement that provided students, families, employees, and other stakeholders with timely information on the closure.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt.        | Business Valuation | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|-------------------|--------------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓-7<br>✓-8                     | ✓-7            |                  | ✓-7<br>✓-8<br>✓-9 |                    |                          |                                      |                                      |                                      |                                            |

Confidential Universities
Select Disputes and Investigations / Compliance Case Studies

Privileged and Confidential

7

A&M provided counsel to a university school, helping to identify, preserve, and collect relevant structured and unstructured data related to student accounts, payments, and aid disbursements from the school’s systems. A&M provided legal counsel with a comprehensive financial analysis of student account, payment, and aid disbursement data. A&M linked student records and financial data to create a dataset conducive to analysis and performed data analytics procedures to systematically uncover key insights regarding financial transactions.

8

A public university and its external counsel retained A&M to assist in responding to multiple borrower defense claims received from the Department of Education related to former and current student claims that the university defrauded the students in some manner, which provides for potential student loan discharges. A&M organized and categorized the claims by topic, date ranges, and schools involved and developed a comprehensive list of supporting evidence requests to aid the university in its review and potential defense of the claims. A&M worked with multiple university staff and external counsel to collect, organize, and review relevant evidence. A&M also assisted external counsel in drafting written responses to each claim, including organizing packages of relevant evidence to accompany each response.

9

A law firm contracted A&M to do an independent review of the special counsel’s threat assessment program of a state university following an active shooter event on the university’s campus. A&M provided a comprehensive analysis of the university’s threat assessment protocols, public safety measures, and emergency response effectiveness. The team analyzed extensive documentation, worked with legal counsel to ensure compliance, and evaluated training, coordination, and emergency protocols. Through surveys, interviews, and gap analysis, the team identified resource and training deficiencies. The final recommendations focused on strengthening preventive measures, improving training, and enhancing inter-departmental coordination to mitigate future risks.

Select A&M K-12 Qualifications

# A&M K-12 | Summary of A&M Case Studies Mapped to E&I Service Area

|                                                         | Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|---------------------------------------------------------|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| U.S. Territory Department of Education                  | ✓                              |                | ✓                | ✓          | ✓                        | ✓                                    |                                      | ✓                                    | ✓                                          |
| Territory Department of Education                       | ✓                              |                | ✓                | ✓          | ✓                        | ✓                                    |                                      | ✓                                    | ✓                                          |
| Public Schools District                                 | ✓                              |                | ✓                | ✓          |                          | ✓                                    |                                      | ✓                                    | ✓                                          |
| Major Catholic Diocesan School System                   | ✓                              |                |                  | ✓          |                          | ✓                                    |                                      | ✓                                    |                                            |
| Charter Management Organization                         | ✓                              |                | ✓                | ✓          | ✓                        |                                      | ✓                                    | ✓                                    |                                            |
| State Department of Education                           | ✓                              |                |                  |            | ✓                        |                                      | ✓                                    | ✓                                    |                                            |
| City Department of Education                            | ✓                              |                |                  | ✓          | ✓                        |                                      |                                      | ✓                                    |                                            |
| Texas Independent School District                       | ✓                              |                |                  |            | ✓                        | ✓                                    | ✓                                    | ✓                                    | ✓                                          |
| City Parish School Board                                | ✓                              |                | ✓                | ✓          | ✓                        | ✓                                    |                                      |                                      | ✓                                          |
| City Public Schools                                     | ✓                              |                |                  | ✓          |                          | ✓                                    |                                      | ✓                                    | ✓                                          |
| X County Public Schools                                 | ✓                              |                |                  |            | ✓                        | ✓                                    | ✓                                    | ✓                                    |                                            |
| State Department of Education (X County Public Schools) | ✓                              |                | ✓                | ✓          |                          |                                      | ✓                                    | ✓                                    |                                            |
| Large West Coast School District                        | ✓                              | ✓              | ✓                | ✓          |                          | ✓                                    |                                      | ✓                                    | ✓                                          |
| Public School District                                  | ✓                              |                | ✓                | ✓          |                          |                                      |                                      | ✓                                    |                                            |
| State Department of Education (X City Public Schools)   | ✓                              |                | ✓                |            | ✓                        | ✓                                    |                                      |                                      | ✓                                          |
| Charter Management Organization                         | ✓                              |                | ✓                | ✓          | ✓                        |                                      | ✓                                    | ✓                                    | ✓                                          |

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                | ✓                | ✓          | ✓                        | ✓                                    |                                      | ✓                                    | ✓                                          |

# U.S. Territory Department of Education

## Federal Funds Management | Improving Procedures and Providing Transparency



### BACKGROUND

As a result of a Specific Conditions letter issued by the United States Department of Education (USDE) in 2019, the U.S. Territory Department of Education was required to engage a Third-Party Fiduciary Agent (TPFA) to manage and administer USDE grant funds awarded to the U.S. Territory Department of Education. In April 2021 A&M was engaged as the TPFA and provides services that include evaluating grant management procedures, applying procurement processes to comply with federally awarded cost principles, processing disbursements in accordance with federal requirements, applying procedures to properly charge payroll costs to appropriate federal grants, i.e., time distribution and payroll accounting, applying appropriate inventory management procedures and maintaining financial records and reports related to the use of USDE federal funds.



### APPROACH

With a school system comprised of over 880 schools, more than 250K students and over 52K employees (25K of which are federally funded), A&M is managing the procurement and payroll reimbursement processes for over \$6B in federal funds. In addition, A&M is recommending process improvements for fiscal and administrative procedures related to grants management, procurement and payroll functions, as well as developing a comprehensive corrective action plan.

Specifically, A&M conducts the following:

- Disburses all USDE grant funds and conducts day-to-day cash management.
- Conducts a bi-weekly 3-way matching process for payroll reimbursement to verify correct employee information, appropriate grant cost assignment, and supporting time distribution records for federally-funded employees.
- Identifies weaknesses in the U.S. Territory Department of Education's operating procedures and recommends improvements that include procurement, grants management, human resource, and payroll-related processes.
- Manages invoice and purchase order approvals, payables and disbursements analysis, maintains financial records and oversees procurement procedures for all federally-funded goods and services, including fixed assets.
- Oversees the grant management process, identifies weaknesses, and develops recommendations for improving the use of federal funds.



### OUTCOMES

Over the past 16 months, A&M has brought much-needed discipline and technical assistance to the procurement, payroll reimbursement, and grant management processes at the U.S. Territory Department of Education, interacting continually with senior-level management, employees at all levels, Territory government officials and the USDE.

Additionally, A&M has :

- Managed drawdowns of almost \$1.4B in federal funds that have been used to either (i) pay for goods and services purchased by the U.S. Territory's Department of Education and paid for by the Territory's Department of Treasury or (ii) reimburse payroll expenses initially paid for by the Territory's Department of Treasury
- Identified over 24 expiring grants and developed procurement procedures to address the use of over \$2.0B in federal funds prior to expiration.
- Developed a highly-complex financial model that has automatically conducted a 3-way matching process of payroll-related records for over \$1.6B in Territory Department of Education payroll.
- Reimbursed over \$700M in payroll-related federal funds to the treasury
- Identified eight general classifications of exceptions in the payroll reimbursement process that highlight critical weaknesses in the department's payroll-related procedures.
- Reimbursed almost \$700M related to goods and services purchased by the education department

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                | ✓                | ✓          | ✓                        | ✓                                    |                                      | ✓                                    | ✓                                          |

# Territory Department of Education

## Comprehensive Corrective Action Plan



### BACKGROUND

- A Territory’s Department of Education (TDOE) is a single unified school district consisting of grades K-12 serving more than 30,000 students in 40 schools and receives approximately \$40M annually in federal education grants. As a result of continuous deficiencies in administering its U.S. DOE grant programs, TDOE was designated as a “high risk” grantee in September 2003. As part of the Federal Fiscal Year (FFY) 2009 amended Special Conditions, the U.S. DOE required that TDOE procure the services of a third-party fiduciary (TPFA) to perform the financial management responsibilities required by federal law for U.S. DOE grants. Finally, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act in 2020, TDOE received an unprecedented \$450M in Elementary and Secondary School Emergency Relief (ESSER) and American Rescue Plan Act (ARPA) funds, adding tremendous workload to spend the funds in the allotted timeframe. A&M was engaged to serve as TDOE’s TPFA and effectively utilize U.S. DOE and CARES Act funding.



### APPROACH

- A&M implemented the comprehensive corrective action plan and oversaw the TDOE’s spending, sourcing and reporting. Specifically, A&M:
- Complied with the special conditions outlined by the U.S. DOE, being responsible for day-to-day cash management, the TPFA’s standalone financial system, the oversight of procurement and warehouse operations, payroll reimbursement and other functions related to Consolidated, Special Education, American Recovery and Reinvestment Act (ARRA), ARPA and ESSER funds;
  - Disbursed all U.S. DOE grant funds — including education jobs, construction funds and other significant grants driving education reform — and created a process for managing and monitoring fixed assets;
  - Processed payables and disbursements, maintained related records and oversaw the procurement of goods services, verifying their receipts;
  - Conducted training across TDOE on new procurement practices and managed procurement and warehouse management functions in accordance with EDGAR and local law;
  - Established processes to track and report time and effort of federally funded TDOE employees and prepared timely related reimbursements; and
  - Prepared timely and accurate reports on schedule and on demand.



### OUTCOMES

- A&M’s work with the TDOE highlights our ability to successfully serve as a TPFA and fully implement a U.S. DOE Comprehensive Corrective Action Plan. A&M provided the following benefits to the Client:
- Implemented the TPFA financial management information system (FMIS) at the start of the engagement and shut it down following the successful transition of TPFA duties, with approval from the U.S. DOE;
  - Prepared and distributed grant status and College and Career Access Pathways (CCAP) update reports with no late liquidations for federal grants over a six-year period;
  - Installed a systematic inventory process for all schools and divisions, resulting in an over 98 percent fixed asset reconciliation rate, and recorded over 50,000 new fixed assets resulting from ESSER and ARPA funds, with no change in TPFA staffing levels;
  - Reduced the payroll reimbursement discrepancy rate from 23 percent at beginning of the engagement to less than 1 percent, with timely reimbursement of payroll on a biweekly basis;
  - Trained multiple personnel on payroll reimbursement processes and new procurement and fixed asset management practices across the organization after streamlining the procurement system to improve transparency and efficiency;
  - Brought TDOE current with indirect cost applications, established a replicable process, and transitioned to TDOE personnel; rates are higher than those prior to A&M’s tenure
  - Provided an outline of duties to transition from TPFA to TDOE, working closely with TDOE’s Chief Internal Auditor to align on transition processes, clearly define TPFA’s role in the transition and transition duties to TDOE personnel;
  - Participated in monthly meetings with TDOE and the U.S. DOE to discuss TDOE’s progress in assuming TPFA’s duties, fully transitioning procurement duties to TDOE in January 2023 and monitoring procurement activity for the remainder of the year;
  - Transitioned from conducting a reconciliation of assets in TPFA’s FMIS to monitoring TDOE’s physical inventory and reconciliation processes in 2023;
  - Transitioned invoice review and approval to the TDOE Business Office in 2023 and provided regular feedback on identified discrepancies in TDOE-approved invoices, closing bank account and transitioned cash disbursements in October 2023; and
  - Enabled ten consecutive years of clean audits with no federal funds-related material weaknesses on TDOE’s single audit for any year where A&M served as TPFA.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                | ✓                | ✓          |                          | ✓                                    |                                      | ✓                                    | ✓                                          |

# Public Schools District

## Financial Advisory Services



### BACKGROUND ...

- The client is the largest school district in a state with over 35,000 students and 5,300 faculty and staff throughout 65 schools. The district faced a structural budget deficit due to the combination of flat State Aid, a 10 percent increase in enrollment, and a 100 percent increase in charter aid over eight years.



### APPROACH ...

- Client hired A&M to identify and implement performance improvement opportunities, lead the district through three annual budget cycles, and ensure long-term fiscal sustainability.
- A&M served as financial advisor to client, helping to plan and execute balanced budgets.
- Identified opportunities that would minimize the impact of budget shortfalls on academic programs and direct student supports including new revenue opportunities, operational efficiencies, while minimizing reductions in personnel and aligning spending with district priorities.

### OUTCOMES



A&M advised on and/or implement the following initiatives:

- Closed or re-purposed under-enrolled or performing schools.
- Sold 12 unused school buildings.
- Reduced headcount by nearly 1500 FTEs, while not increasing class size.
- Raised \$30M in critical capital funds, repairing dozens of schools and freeing up facilities money to be transferred to classrooms.
- Audited enrollment, saving \$2M.
- Changed health care providers (over \$10M cost saving); changed prescription benefits to third party (10% cost saving).
- Identified routing efficiencies, implemented a performance/data-driven P3, and revised special education transportation policy.
- Changed the referral process for special education students to out of district placements.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  | ✓          |                          | ✓                                    |                                      | ✓                                    |                                            |

# Major Catholic Diocesan School System

## Finding Opportunity in Crisis – School Revitalization in the COVID-19 Pandemic

### BACKGROUND

A large Catholic Diocese in the northeast U.S. facing decades of declining enrollment needed to restructure the finances, governance, and academics of its Department of Education, which managed 39 Catholic Schools and served 11,000 students. The Client needed to understand the individual needs and challenges of each school and to develop a comprehensive plan to revitalize its elementary schools. In the midst of the detailed assessment and revitalization planning phase, the COVID-19 pandemic struck. Suddenly the Client needed resources to conduct remote education, employ digital technology, and plan for safe, hybrid or on-site class schedules in the fall. As private non-profit institutions, Catholic schools rely heavily on the support of their Parishes and charitable giving, both of which had declined during the pandemic, adding to the financial pressures posed by decades of declining enrollment.

### APPROACH

Following the initial study and approval of a multi-year revitalization plan, A&M set out to assess each of the 39 elementary schools in the Diocese and flesh out recommendations to revitalize their academic programs, improve enrollment, strengthen the operations of the Department of Education, and enhance governance to support long-term sustainability. As the pandemic evolved, A&M also provided swift academic, financial, and technological expertise to support individual schools as they faced the impact of COVID-19. Specifically, A&M:

- Assessed academics, enrollment and finances across the network of schools;
- Created a consolidated school health dashboard to track progress at each school;
- Built a 26-week cash flow model for each elementary school and advised on school-specific risks and mitigation strategies;
- Implemented a new academic benchmarking program for tracking achievement gaps and forming a more accurate picture of student growth over time;
- Recommended the closure of several high-risk schools and provided support for communication of school closure decisions;
- Advised schools and Parishes on participation in the CARES Act Paycheck Protection Program (PPP); and
- Recommended and implemented support programs for teachers and administrators to plan and process educational plans during the pandemic.

### OUTCOMES

- A&M brought a much-needed technical skillset, and objectivity to the school district's greatest educational challenges. The team on the ground helped Diocesan leaders navigate the COVID-19 crisis, thrive in a remote learning environment and sustain and improve Catholic education in the area. Additionally, A&M:
  - Provided emergency financial management analysis to help school adjust to the reduction in funding from parishes closed by the pandemic;
  - Developed a multi-year plan to address academic, financial, and enrollment challenges;
  - Demonstrated seamless and rapid flexibility to help schools face the challenges of COVID-19;
  - Provided detailed financial modeling in a high-stress, turnaround environment to build confidence for DOE leaders;
  - Helped navigate leadership challenges, community engagement, and enrollment management practices in a holistic approach to meeting the school district's unique needs;
  - Recommended and implemented a series of supports in order to improve remote and hybrid learning, teacher training and technology usage;
  - Established a team of 35 teachers, called curriculum leads, to mentor other teachers on best practices and collaborate across a range of small, disparate schools;
  - Created a regular cadence of positive and productive collaboration among principals; and
  - Anchored recommendations in the values and goals of the organization.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                | ✓                | ✓          | ✓                        |                                      | ✓                                    | ✓                                    |                                            |

# Charter Management Organization

## Federal Funds Management and Impact Maximization, Financial and Operational Effectiveness



### BACKGROUND

- In 2019, a non-profit charter management organization operating 26 middle and high schools worked with A&M on new policy implementation and board consolidation.
- When the pandemic began, the Client approached A&M to support its health and safety response and provide financial assistance to efficiently utilize the pandemic-related influx of restricted grants from the federal and state governments.



### APPROACH

A&M translated national and state policies to fit the Client's needs, communicating with schools and families, and acted as Interim Director of Accounting Compliance. Specifically, A&M:

- Analyzed and assessed national, state, and county policies to match them to the Client's needs;
- Kept COVID policies up to date as the pandemic evolved and communicated policies and changes to leadership, schools, and families;
- Conducted facilities assessments regarding distancing compliance and air quality;
- Conducted financial forecasting for remote schooling in the event of a vaccine mandate;
- Led and facilitated health and safety working groups to incorporate stakeholder input into decisions;
- Pivoted communications strategies as the pandemic evolved;
- Recorded payroll to restricted funds and sorted expenses by fund to use all available money;
- Expended payroll and other costs against \$30MM in Elementary and Secondary School Emergency Relief (ESSER) funds;
- Documented all invoices and non-payroll expenses recorded against restricted funds;
- Developed the Client's Schedule of Expenditures of Federal Awards (SEFA) for the year, recording everything as resources grew from four restricted federal funds to 14 by the time the SEFA was prepared;
- Prepared for auditors and supported the Client in a successful and unmodified audit with no deficiencies, material misstatements, or other concerns;
- Planned all payroll tagging for the next fiscal year; and
- Trained the new director of accounting compliance.

### OUTCOMES



A&M kept the Client fully compliant with county and state protocols, maintaining COVID-19 safety and ensuring audits and grant reporting were completed properly. The work resulted in the following benefits to the Client:

- Used up all funds from a heavily restrictive \$12.5MM state fund and all second-round ESSER funds;
- Revamped the Title I federal funding payroll tagging system to improve compliance;
- Supported the Title I Federal Program Monitoring process resulting in no financial findings for the first time in the Client's recent history;
- Trained school leaders and students in COVID-19 protocols across all campuses;
- Created and implemented policies that allowed the network to maintain an average daily attendance above 90%;
- Created communications for the board and acquired and distilled survey data;
- Allowed operations teams to plug and play policies, creating congruence across all 26 schools
- Gave the Client more predictability through the long engagement time and a scalable support model; and
- Provided people who knew and understood the Client's mission and values while providing A&M's efficiency and drive.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  |            | ✓                        |                                      | ✓                                    | ✓                                    |                                            |

# State Department of Education

## K-12 Funding Formula



### BACKGROUND

- The current K-12 education funding formula in the state, established in 2010, incorporates a poverty factor known as the "student success factor" to account for additional funding needed for students in poverty. Historically, poverty status was determined using free-and-reduced-price-lunch (FRPL) data. However, the shift to universal free meal programs — such as the Community Eligibility Provision in some districts — and federal funding during the COVID-19 pandemic that allowed all students to receive free meals have comprised the reliability of FRPL data. Consequently, the State Department of Education has since faced significant challenges in accurately determining student poverty levels for equitable funding. In 2023, the General Assembly required the Department to develop a poverty measure independent of school nutrition programs, leading to the use of Department of Human Services direct certification data, multiplied by a factor of 1.6, as a temporary solution. Due to challenges with this method, A&M was hired to explore and develop alternative methodologies that would impact over \$1.0B in education aid to support students from low-income families.



### APPROACH

- To support the client in developing alternative measures of student poverty for its education funding formula, A&M undertook a comprehensive approach. Specifically, A&M:
  - Conducted in-depth research on other states' methodologies for measuring student poverty;
  - Facilitated interviews with national experts and state leaders to understand their methodologies, including the strengths and challenges of their approaches;
  - Held interviews with key leaders in state agencies, including the Department of Human Services, the Division of Taxation and the Department of Revenue, to understand the current state and varying perspectives to inform potential alternatives;
  - Created a framework of criteria and assessed the initial list of potential alternative measures against the framework;
  - Analyzed student counts for past, current and potential measures to determine which accounted for the most eligible students; and
  - Provided data-driven recommendations.



### OUTCOMES

A&M played an important role in advancing equitable resource allocation for the state's K-12 system and provided critical insights and recommendations that will facilitate the more accurate and effective distribution of funding to support the most vulnerable student populations. A&M provided the following benefits to the Client:

- Developed recommendations on alternative measures of student poverty for inclusion in the 2026 budget submission, as requested by the General Assembly;
- Reviewed historical data on enrollment, free and reduced-price lunch and social program eligibility for school-aged children statewide to determine how to most closely capture all students who qualify without the need of a multiplier;
- Delivered data-driven insights to help ensure the highest-need communities receive the necessary resources by more accurately measuring student poverty in the education funding formula; and
- Shared innovative practices from other states to enhance the state's K-12 funding formula and support the inclusion of the most eligible students.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| ✓                              |                |                  | ✓          | ✓                        |                                      |                                      | ✓                                    |                                            |

# City Department of Education

## K-12 Transformation



### BACKGROUND

- The City Dept. of Education (C DOE) is one of the largest school systems in the United States, with just over 1M students.
- C DOE was facing several financial issues including, but not limited to, declining enrollment (exacerbated by the pandemic) and related funding, the end of pandemic funding, and increasing transportation costs.
- The Division of Early Childhood Education (DECE) was created to coordinate birth to five years old educational programs and schools. As part of this redesign, several operational challenges emerged, including many in human resources.
- There was no central, common and modern system for personnel tracking, which prompted data integrity risks, and, in turn, budgeting and operations complications. In addition to these challenges, the Universal Pre-K initiative has contracts with over 1,200 local Community Based Organization (CBOs) to provide early childhood education services.
- In January 2022, a new Chancellor was appointed by the City's newly elected mayor to lead the department. In February 2022, the Client engaged A&M to begin a 90-day assessment.



### APPROACH

A&M provided CFO support to the Client in key priority tasks identified by leadership and assisted the newly appointed Deputy Chancellor for Early Childhood Education. Specifically, A&M:

- Developed a dynamic school consolidation savings model that estimates the financial impact tied to the consolidation of K-12 schools.
- Created preliminary enrollment scenarios to support long-term planning including best-case, base-case, and worst-case scenarios.
- Identified areas of efficiency opportunities for the Client's consideration.
- Refined personnel tracking methods by converting the "most up to date" HR/personnel records into a comprehensive data set and conducting analysis to identify and correct duplicates, discrepancies, gaps, and false information.
- Identified an accurate headcount for DECE, drew consistent and accurate organizational charts for internal teams, reviewed opportunities to adopt data driven best practices for personnel tracking, developed a temporary solution for automated personnel tracking and organizational chart creation, and advised on a system-wide data re-upload.
- Mapped and reimagined the RFP process for contracts with CBOs providing early childhood education services.
- Examined the roles of various stakeholders, key deadlines, and internal capacity to support timely work.



### OUTCOMES

A&M completed the assessment and used the findings to provide models, projections, and opportunities. A&M's work resulted in the following benefits to the Client:

- Built a K-12 School Consolidation Model that estimated cost savings tied to variable and semi-variable school costs such as food services, transportation, facilities, and staffing.
- Developed long-term K-12 enrollment projections under three scenarios - base-case, best-case, and worst-case - that considered long-term impacts of enrollment trends.
- Identified various efficiency opportunities that could be further explored to help prepare for anticipated financial challenges including a long-term financial assessment (and scenario planning), a review of the Fair Student Funding (FSF) formula (weighted funding formula by which funds are allocated to each school), a review of school transportation including Special Education bus services, vehicle insurance, conversion to electric buses, and bus vendor contracts, and instances where space is being leased and whether any of those services can be moved into Client-owned buildings.
- Adopted data driven best practices, allowing the HR team to efficiently and effectively track personnel.
- Enabled the Deputy Chancellor to deploy resources against priorities including the establishment of a data set containing accurate DECE personnel information, development of an automated organization chart tool to streamline internal personnel tracking and user guide, and alignment of Galaxy records to include updated DECE Program/Team names.
- Developed guidelines for streamlining RFP process for 1,200 providers managing key deadlines across 14 months.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                |                  |            | ✓                        | ✓                                    | ✓                                    | ✓                                    | ✓                                          |

# Texas Independent School District

## K-12 Transformation, Federal Funds Impact Maximization



### BACKGROUND

- Our client, an Independent School District (ISD) is the largest school district in Texas, serving 194,000 students in 274 schools. Over the last ten years, ISD has faced persistent enrollment losses, growing fixed costs, and static combined state and local revenue due to Texas “recapture” payments which effectively cap per-student revenue.
- As enrollment deteriorated, the district did not make appropriate modifications to scale schools and Central Office supports to efficiently meet student need.
- ISD’s new Superintendent and leadership team recognized the need to improve financial management capacity, including the oversight of over \$1B in new federal funding and seize the opportunity to transform the district to reach fiscal sustainability while improving student outcomes.



### APPROACH

A&M conducted a preliminary financial assessment of ISD, which gave ISD’s leadership an objective perspective on the financial standing, capabilities, and practices of ISD, and outlined a series of recommended improvements.

Upon completion of the initial assessment, ISD re-engaged A&M directly to support the development of an operating budget more aligned with strategic goals, improve financial management capacity, and develop a long-term fiscal transformation plan. Under this expanded scope, A&M:

- Supported the ISD Finance Team in developing SY22-23 budget and provided support and analysis to the ISD Board during budget workshops, and supported the development and validation of Central Office budget reductions
- Developed action plans for six critical financial capacity improvement initiatives to address findings from A&M’s preliminary assessment. The initiatives served as a baseline for transformation and helped create a PMO function to lead the implementation.
- Developed analysis and tools for enhanced transparency of federal funds use and facilitated FY22 year-end review and reprioritization exercises to better align investments with demonstrated success and student outcomes
- Evaluated the tools and supports available to school leaders, conducted a gap assessment to identify principal needs, and developed a suite of solutions to improve school support, training and accountability
- Refined the academic, operational, and financial case for broader fiscal transformation and supported ISD in developing a long-term fiscal transformation roadmap and communicating this vision to the Board and public



### OUTCOMES

- Provided an independent perspective to ISD’s CFO, Superintendent, and Board by preparing the SY22-23 budget, which helped the district refine and improve the budget process with a clear understanding of the long-term fiscal sustainability implications
- Led the implementation of key fiscal improvement initiatives, which has improved the leadership team’s visibility, transparency, and control over the district’s finances, setting the stage for a broader fiscal transformation
- Analyzed staffing models and identified misalignment of resources to current student needs in operation
- Developed comprehensive decision support model to provide insight on various district transformation scenarios and summarized the impact of potential alternatives
- Supported ISD leadership in balancing the ESSER budget, aligning planned programs to available resourcing, and re-prioritizing ESSER investments to align with leadership strategy
- Currently providing ongoing support to ISD as it develops and executes a long-term plan for district transformation

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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# City Parish School Board

## Interim Management



### BACKGROUND

- On July 11, 2005, the City Parish School Board and the State Department of Education hired A&M's Public Sector Group to turn around the non-academic operations and finances of the City's struggling pre-K-12 public school system.
- The City Public School system was the worst of all major school systems in the county and faced intractable corruption, in-fighting and racial tension. With \$450M of debt, state audits revealed that employees were siphoning millions in unauthorized pay checks.
- In August 2005, less than two weeks after the first day of school, the nature of A&M's assignment had significantly changed. The city was deeply impacted by a hurricane, and the school district, which had just celebrated the on time opening of 117 schools, was left with none.



### APPROACH

- A&M provided leadership by assuming interim management roles within the organization, including Chief Restructuring Officer, Chief Operating Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Information Officer, and Chief Procurement Officer.
- A&M spearheaded the reconstruction of damaged schools and the insurance claims recovery process to ensure that adequate funds would be available to address the school system's fiscal challenges.



### OUTCOMES

- A&M recovered \$30M from private insurers, obtained \$57M in funding from community disaster relief organizations and \$102M from the federal government and \$250M from Gulf Coast Recovery Credit Bonds.
- A&M developed a shared service model, offering back-office support functions critical to the classroom through experienced providers in key areas such as transportation, information technology, food, and maintenance to both public and charter schools.
- A&M initiated a new system of financial controls.
- As a result of A&M's efforts, the City Parish Schools was able to meet all of its obligations, avoid bankruptcy and return to solvency, obtaining its first clean audit in many years.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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# City Public Schools

## Interim Financial Management



### BACKGROUND ...

The client, City Public Schools, was faced with an operating deficit of more than \$305M and major academic and financial shortfalls. City Public Schools needed to serve its mission while restructuring the department for long term fiscal stability. The state governor appointed an Emergency Manager to oversee the financial and academic restructuring of the State's largest public education system. The city's fiscal crisis limited City Public School's ability to service 16,000+ special education students.



### APPROACH ...

A&M was a financial advisor to the Emergency Financial Manager of City Public Schools. A&M:

- Developed financial condition assessment and financial models, operational assessments, alternatives for increased revenues and cost cutting measures and debt restructuring plans.
- Provided capacity to reform / restructure delivery of services to better serve students in light of fiscal deficit, enrollment trends and diminishing accountability, while adhering to state and Federal regulations and mandates.
- Managed Special Education finances and operations.
- Reviewed spending and processes to assist the client with efforts to improve quality and efficiency and to lower costs.

### OUTCOMES



- Over a two-year period, the client implemented \$53M in cost savings, which included \$14.8M annual savings in janitorial and maintenance costs, \$8M in transportation, \$4M in security, and \$4.8M in revenue from the sale of a bus fleet, while achieving unprecedented levels of compliance. A&M developed a new finance/budget organization including:
  - Creating a school-based revenue allocation budget model (Responsibility Centered Management).
  - Serving as Acting Executive Budget Director /Deputy CFO.
  - Serving as Acting Director of Special Education, improving service, lowering costs and managing Special Education referral processes.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                |                  |            | ✓                        | ✓                                    | ✓                                    | ✓                                    |                                            |

# X County Public Schools

## Central Administration Staffing Analysis / Benchmarking



BACKGROUND ...

- The district was publicly viewed as overstaffed in the central office function. The school district, in conjunction with the board, sought an independent analysis and verification of the staffing levels.



APPROACH ...

A&M performed an objective staffing study of the Central Administrative Offices (CAO) to compare benchmarks and assess the effectiveness and efficiency of the central administrative functions. Specifically, A&M:

- Analyzed the difference in operating models across the peer districts to understand the different ways districts categorized their central and school level staff.
- Performed an in-depth analysis of each of the staffing models to rebuild the staff comparisons and ensure apples to apples comparisons.
- Developed a cross-agency peer benchmarking interview guide, conducted interviews and a review of the current state of each XCS department, collected peer district staffing files, conducted outreach to peer districts, and analyzed the results against best practices.



OUTCOMES

- Presented a final report indicating the level of staffing by department for XCS against peer school districts was presented to the school board
- Determined that the XCS central office was understaffed in comparison to relative peer districts (this conflicted with the original hypothesis prior to A&M's analysis)
- Recommended that XCS increase staffing for four central office functions, weight hiring of staff toward central academic support functions, and consider hiring additional deputies

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                | ✓                | ✓          |                          |                                      | ✓                                    | ✓                                    |                                            |

# State Department of Education (\_County Public Schools)

## Academic Integrity and Accountability



### BACKGROUND

- In 2017, following a period of exceptional growth in PGCPs's graduation rates, widespread allegations of record manipulation and fraud intentent to improve graduation rates arose.
- The client requested an independent audit of graduation rates for the 15/16 and 16/17 school years, including an assessment of surrounding policies, procedures, and processes.
- Both the X County Public Schools and client needed an objective, third party assessment of the validity of claims, the impact of record manipulation, as well as a clear plan for remediation and improvement.



### APPROACH

- A&M conducted a rapid assessment and investigation of practices at the county's 28 high schools:
  - Reviewed authorities, policies, and procedures
  - Interviewed county school administrators, support staff, and faculty
  - Received, logged, and responded to complaints from over 145 individuals
  - Analyzed student grading system records of 15,215 students
  - Assessed transcripts, grade changes, and alternative learning data for a sample of 1,212 students
- A&M delivered the findings of this investigation in a formal, public report which detailed not only by-school results, but the underlying causes contributing to record manipulation.
- A&M recommended policy clarifications, enhanced controls, and more accurate and trackable monitoring processes.
- Upon completion of the 2017 Audit, client requested A&M conduct a progress assessment to validate improvements and inform further reform efforts.



### OUTCOMES

- A&M's 2017 audit identified widespread grade keeping, attendance, and graduation process manipulation.
- 5% of students graduated despite not meeting basic client credit requirements and that 24% of all students benefited from inappropriate grade changes.
- A&M developed 40 distinct recommendations, including policy clarifications, enhanced controls, and more accurate and trackable monitoring processes.
- In 2018, A&M performed a follow-up audit and progress assessment that identified that the County Public Schools had successfully implemented 38 out of 40 recommendations from the 2017 Audit.
- The County Public Schools demonstrated notable improvements, specifically in graduation certification, grade changes, and credit recovery programs.
- State Department of Education applauded the progress the County Public Schools has made to date and described the District as leaders of best practices for the State.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              | ✓              | ✓                | ✓          |                          | ✓                                    |                                      | ✓                                    | ✓                                          |

# Large West Coast School District

## Payroll and Self-Service Portal Support


**BACKGROUND**

- A Large West Coast School District implemented a new systems applications and products (SAP) software including an employee self-service portal. After implementation, the client experienced problems with SAP success factors and the new portal, which left the Client with a backlog of over 11,000 tickets and with multiple payroll system issues. A&M was brought in to support the Client's payroll team and stabilize the new portal.


**APPROACH**

A&M bolstered Client payroll and systems teams with additional people as well as developed an operations center and teams to document system processes and issues and accelerate ticket resolution. Specifically, A&M:

- Developed case management operations center supported with a Zendesk ticket management system and expanded onboarding for new case managers to increase team size and accelerate ticket resolution;
- Created a root cause team that analyzed over 500 separated tickets, 300 known system issues and approximately 70 individual employees to distill specific root causes and associated symptoms;
- Established a process team that reviewed the existing process document repository for portal training and guidelines, mapped end-to-end hire to retire activities, documented known issues and developed solution work packages to address root cause remediation; and
- Augmented the client's systems team with several additional individuals to assist with gathering requirements and documentation as well as prioritizing and gaining approval for remediation work.

**OUTCOMES**


A&M's support and the new operations center and teams allowed the client's payroll team to close tickets, create processes and fix SAP and portal system issues. A&M provided the following benefits to the Client:

- Closed 14,000 tickets during first six months and reduced backlog from 11,000 to 3,000 tickets;
- Produced 12 separate campaign themes for large groups of tickets with similar profiles that resulted in over 4,100 ticket closures during the first three months of the engagement;
- Identified 65 unique root causes that involved system architecture and organizational processes that were used to develop tailored work packages to address remediation efforts;
- Built 14 separate process and system-related work packages by consolidating the identified root causes into similar sets of related work;
- Prioritized recommendations based on work level of effort and organizational impact;
- Audited over 130 employee payroll correction claims in the SAP and identified 91 additional claims associated with employee tax withholdings for review; and
- Resolved over 600 system-related issues and revised and improved over 50 organizational processes.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                | ✓                | ✓          |                          |                                      |                                      | ✓                                    |                                            |

# Public School District

## IT Cost Baseline



### BACKGROUND

- Large public school district with ~200 schools and ~90k students. IT department was preparing for an upcoming bond request and needed to strategize on device support costs and actual costs of their services.
- District was preparing for an “opt in vs opt out” model for schools interested in outsourcing their IT support to a 3rd party rather than using the district supplied IT department (shared service).



### APPROACH

- Utilizing an industry standard IT model, A&M developed a taxonomy to categorize operating expenses, fixed assets, and labor costs. These costs were then allocated to their respective applications and business units (i.e., departments and individual schools).
- Each layer of the model provided a different “slice” of current IT spend, which was then loaded into a dynamic dashboard for the client and A&M for ad hoc analysis.
- Using the model, A&M provided a roadmap for preparing the district for the upcoming bond request and potential cost savings opportunities to optimize current IT budget of ~\$20M.



### OUTCOMES

- A&M identified opportunities to reduce annual spend by 10% through sourcing, rationalization, and process improvement initiatives.
- District has the necessary cost baseline to understand how their costs roll up to applications and services and then allocated to schools and departments to determine the “true cost” of services provided.
- A&M provided a roadmap to optimize current budget as well as the methodology to continually track IT spend for ongoing analysis and optimization.
- District is using device support cost analysis to provide guidance to schools on asset purchases to reduce the future impact on constrained resources.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                | ✓                |            | ✓                        | ✓                                    |                                      |                                      | ✓                                          |

# State Department of Education (X City Public Schools)

## Financial Management



### BACKGROUND

- After a series of financial mismanagement challenges, and public allegations of waste, fraud, and abuse, the State Department of Education (State DOE) stepped in to support X City Public Schools in improving controls and regaining public trust. The State DOE engaged A&M to conduct a thorough performance review of the district's financial processes, controls, and financial outlook. State DOE was particularly interested in identifying deficiencies in the control environment that could contribute to the misuse of funds, understanding the degree to which control failures led to non-compliant spend, and recommending enhancements to procedures to improve accountability and compliance.



### APPROACH

- Documenting and understanding controls environment: Review policies and procedures, understand control environment, understand resource allocation, monitoring, and execution, conduct process walkthroughs to understand and document controls for:
  - Employee payroll
  - Third-party payments
  - Employee expenses
  - Treasury controls
  - Federal funding compliance requirements
- Testing adherence to internal controls:
  - Selected key representative samples across some focus areas to observe documentation maintained by X City Public Schools and adherence to current control practices based on process walkthroughs.
  - Developed findings and recommendations based on inconsistencies in approach identified through interviews and process walkthroughs.
- Evaluated financial forecasting capabilities and provided independent assessment of financial outlook:
  - Reviewed latest financial reports, forecasts, and budget to actuals and developed independent perspective on the accuracy of forecasts and sufficiency of funding for SY24-25 operations.
- Identifying gaps and risks: Combining learnings from process walkthroughs, documentation reviews, policy analysis, and control testing, developed a series of findings and recommendations to improve overall financial accountability and transparency.

### OUTCOMES



Alvarez & Marsal (A&M) provided much needed technical expertise and independent perspective on the risks and opportunities for improvements needed to improve consistency, transparency, and accountability in financial processes. Our key contributions included:

- Developed findings related to the overall policy and control environment, and related to sub-processes including procurement, accounts payable, employee expenses, payroll, human resources, treasury and financial forecasting.
- Integrated findings from all sub-processes into a prioritized series of recommendations to support X City Public Schools in addressing the specific findings, and the underlying challenges associated with each focus area.
- Synthesized insights gained through gap analysis between policy review and stakeholder interviews to formulate actionable steps to mitigate immediate risks at X City Public Schools.
- Provided ongoing support for financial forecasting to manage cash flow risks during SY24-25.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                | ✓                | ✓          | ✓                        |                                      | ✓                                    | ✓                                    | ✓                                          |

# Charter Management Organization

## COVID-19 Response and Grant Accounting



### BACKGROUND

- In 2019, a non-profit charter management organization operating 26 middle and high schools worked with A&M on new policy implementation and board consolidation. When the COVID-19 pandemic began in 2020, the Client approached A&M to provide financial assistance to efficiently utilize the pandemic-related influx of restricted grants from the federal and state governments.



### APPROACH

- A&M translated national and state policies to fit the Client's needs, communicating with schools and families, and acted as interim director of accounting compliance. Specifically, A&M:
  - Analyzed and assessed national, state and county policies to match them to the Client's needs;
  - Kept COVID policies up to date as the pandemic evolved and communicated policies and changes;
  - Conducted facilities assessments regarding distancing compliance and air quality;
  - Conducted financial forecasting for remote schooling in the event of a vaccine mandate;
  - Led and facilitated health and safety working groups to incorporate stakeholder input into decisions;
  - Pivoted communications strategies to fit the Client's focus as the pandemic evolved;
  - Recorded payroll to restricted funds and sorted expenses by fund to use all available money;
  - Expended payroll and other costs against \$30M in Elementary and Secondary School Emergency Relief (ESSER) funds;
  - Documented all invoices and non-payroll expenses recorded against restricted funds;
  - Developed the Client's Schedule of Expenditures of Federal Awards (SEFA) for the year, recording everything as resources grew from four restricted federal funds to 14 by the time the SEFA was prepared;
  - Prepared for auditors and supported the Client in a successful and unmodified audit with no deficiencies, material misstatements, or other concerns;
  - Planned all payroll tagging for the next fiscal year; and
  - Trained the new director of accounting compliance.

### OUTCOMES



- A&M kept the Client within full compliance with county and state protocols, maintaining COVID-19 safety and ensuring audits and grant reporting were completed properly. The work resulted in the following benefits to the Client:
  - Used up all funds from a heavily restrictive \$12.5M state fund and all second-round ESSER funds;
  - Revamped the Title I federal funding payroll tagging system to improve compliance;
  - Supported the Title I Federal Program Monitoring process resulting in no financial findings for the first time in the Client's recent history;
  - Created communications for the board and acquired and distilled survey data;
  - Allowed operations teams to plug and play policies, creating congruence across all 26 schools
  - Gave the Client more predictability through the long engagement time and a scalable support model; and
  - Provided people who knew and understood the Client's mission and values while providing A&M's efficiency and drive.

Select A&M Early Childhood Qualifications

# A&M Early Childhood | Summary of A&M Case Studies Mapped to E&I Service Area

|                                                                      | Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
|----------------------------------------------------------------------|--------------------------------|----------------|------------------|------------|--------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------------|
| City Department of Education                                         | ✓                              |                |                  | ✓          | ✓                        | ✓                                    |                                      | ✓                                    | ✓                                          |
| State Department of Education, Department of Early Learning and Care | ✓                              |                | ✓                | ✓          | ✓                        |                                      | ✓                                    | ✓                                    | ✓                                          |
| State Department of Children, Youth, and Families                    | ✓                              |                |                  | ✓          | ✓                        |                                      |                                      | ✓                                    |                                            |

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                |                  | ✓          | ✓                        | ✓                                    |                                      | ✓                                    | ✓                                          |

# City Department of Education

## Division of Early Childhood Education (DECE)

### BACKGROUND

- A&M was engaged to assist the newly appointed Deputy Chancellor for Early Childhood Education in deploying resources against priorities upon the onset of a new mayoral administration and significant staff turnover. Specifically, A&M teamed with leadership in Human Resources to refine personnel tracking methods and the head of Program Planning, Strategy and Development to critically reimagine the RFP process for contracts with community-based organizations (CBOs) providing early childhood education services.
- The Division of Early Childhood Education (DECE) Human Resources was not using a central, common, and modern system for personnel tracking, which prompted data integrity risks, and, in turn, budgeting and operations complications for the Deputy Chancellor.
- In response to the Universal Pre-K initiative in City, DECE has contracts with over 1200 local CBOs to provide early childhood education services. However, there had been numerous concerns raised by CBO providers surrounding contracting, budgeting, and communication with DECE. There was a need to expedite the lifecycle of the RFP process in order to make timely payments to providers and enable the delivery of services.

### APPROACH

- Human Resources Engagement:
- A&M converted the “most up to date” HR/personnel records into a comprehensive data set and conducted analysis to identify and correct duplicates, discrepancies, gaps, and false information. Using updated data, A&M identified an accurate headcount for DECE, drew consistent and accurate organizational charts for internal teams, reviewed opportunities to adopt data driven best practices for personnel tracking, developed a temporary solution for automated personnel tracking and organizational chart creation, and advised on a system-wide data re-upload.
- RFP Process Review:
- A&M worked with DECE leadership to critically reconsider the RFP process and map out 14-month project plan promoting timely payments to CBO providers. Throughout the process, A&M examined the roles of various stakeholders, key deadlines, and internal capacity to support timely work.

### OUTCOMES

- Human Resources Engagement:
- The adoption of data driven best practices is allowing the HR team to efficiently and effectively track personnel, enabling the Deputy Chancellor to deploy resources against priorities
- RFP Process Review:
- The 14-month plan for the expedited RFP process:
    - Advised DECE leadership on the necessary actions needed to be taken to meet key internal deadlines for RFP development, deployment, and evaluation
    - Promoted receiving timely applications from providers, making timely payments to providers (enabling the delivery of services), and proactively avoiding unexpected stakeholder conflicts.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                | ✓                | ✓          | ✓                        |                                      | ✓                                    | ✓                                    | ✓                                          |

# State Agency Launch, Program and Staff Integration

## Early Childhood Learning and Care



### BACKGROUND

- With the goal of enabling and expanding access to high-quality and affordable early care and education, in 2021 a state engaged A&M to launch a new, cabinet-level agency, the Department of Early Learning and Care (DELIC), comprised of existing programs and resources from the Early Learning Division (ELD) of the Department of Education (DoE), and multiple programs from the Department of Human Services (DHS)
- A&M worked with cross agency leaders and staff to understand the implications of transitioning programs and resources, facilitate collaboration and joint decision making, and to design, strategically plan, launch and stabilize the new agency on July 1, 2023



### APPROACH

- To accomplish this high-stakes and complex work, A&M:
- Conducted a current state analysis of ELD and DHS programs, functions and organizations, documenting their key operations, rules, roles, supporting systems and budgets.
- Mapped Family and Provider journeys, IT systems, data flows.
- Benchmarked other states' efforts to create new policy and agencies.
- Identified key transition considerations for the agency leadership teams to address through strategy and planning.
- Facilitated the design of DELIC Mission, Vision and Values, and future state operating and organization models.
- Developed organizational charters, mapped future state processes, services and internal and cross-agency processes.
- Developed start-up, carve-out and integration strategies and a 24-month roadmap of projects to address new agency operations, IT & data, human resources, general administration, strategy & policy, and change management.
- Facilitated the development of Legislative reports and agency budget requests including general fund and braided funding for ongoing operations and one-time costs.
- Orchestrated internal staff and external interest holder engagement and communications and developed an agency orientation strategy.
- Orchestrated the Project Management Office and execution of the implementation project portfolio and lead mission critical workstreams to: establish the new agency in federal and state systems and stand-up administrative capabilities; develop future state IT systems landscape, design future state data infrastructure, and elicit requirements for a provider management system; migrate policy, rationalize cross-agency rule sets and implement eligibility rule changes; develop new interagency agreements and contracts; prepare facilities; transition of staff, program operations and support shared services.
- Developed governance frameworks to enable decision making, transparency, risk management, policy and procedure standards and manage service performance and a model to assess and mature operational and systemic capabilities.

### OUTCOMES



The impact of A&M's work included the following outcomes:

- A co-created agency Mission, Visions and Values to anchor staff, partners and interest holders.
- Reached joint decisions between multiple agencies on the approach to transition programs and resources.
- Compelling legislative status reports including comprehensive implementation and budget plans which enabled the agency to secure 100% of the one-time and on-going resources required to launch and operate.
- Aligned policy, processes and procedures across the new agency to establish the foundation for operational efficiency and enable improved outcomes for more families.
- Staff, partners and interest holders aware, prepared for transition and adopting new structures, policies and procedures.
- Successful launch of a new state agency with new and migrated staff, new organization and back-office functions, budget, operating capabilities, new and refined processes, new IT systems and services, expanded facilities and rationalized rules and expanded edibility.
- Project was delivered on time, on budget without impact to program services.
- Models and tools for ongoing continuous improvement and capability maturity.

| Corporate Financial Consulting | Tax Consulting | Audit Consulting | Risk Mgmt. | Grant Mgmt. & Compliance | Financial Crisis Management Planning | Market Insights and Research Updates | Scenario Planning and Stress Testing | Implementation of New Accounting Standards |
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| ✓                              |                |                  | ✓          | ✓                        |                                      |                                      | ✓                                    |                                            |

# State Department of Children, Youth, and Families (DCYF)

## Child Welfare Spending and Efficiency Review



### BACKGROUND

The State contracted A&M to provide a combination of finance, child welfare, and Medicaid subject expertise to assist in both improving child safety outcomes as well as assist in preventing future overspending within the agency. State-issued reports on Department of Children, Youth, and Families (DCYF) showed the agency was on track to significantly overspend its budget by 13% (or nearly \$22M) unless corrective action was taken



### APPROACH

The project occurred in two discrete phases during which A&M:

- Conducted a Budget to Actuals variance analysis of the financial information available to DCYF
- Identified financial opportunities for DCYF and made recommendations that could be assumed in DCYF's FY20 & FY21 budgets

In phase two, A&M's engagement was extended to help support DCYF in the implementation of the following opportunities identified in phase one

- Revenue Maximization Opportunities for Home and Community Based Services (HCBS).
- DCYF Private Agency Contract Support
- Initiative Management Support
- DCYF Fiscal Leadership Transition Support



### OUTCOMES

The analysis and recommendations made were critical to guide decision making around future policies that would impact DCYF, its budget, providers, and families. The A&M team identified a variety of savings opportunities across various federal funding streams. Significant sources of funding for DCYF included Medicaid, Title IV-E, and TANF.

- The team helped DCYF identify a potential savings of \$1.04M in FY20 and a run-rate of \$4.37M by FY21
- Provided analysis that led to a successful renegotiation of all ten private agency foster care agencies to better support children and create a more equitable foster care system
- Supported back claiming for some HCBS services and moving forward with a future Medicaid claiming structure for applicable HCBS services