Introduction

As policymakers and the courts abandoned desegregation efforts and wealth moved from cities to the suburbs, most of the nation’s major cities developed communities of concentrated poverty, and policymakers gave the school districts serving those cities the task of overcoming the opportunity gaps created by that poverty. Moreover, districts were asked to do this with greatly inadequate funding. The nation’s highest poverty school districts receive ten percent lower funding per student while districts serving children of color receive 15 percent less.

This approach, of relying on under-resourced urban districts to remedy larger societal inequalities, has consistently failed. In response, equity-focused reformers have called for a comprehensive redirection of policy and a serious attempt to address concentrated poverty as a vital companion to school reform. But this would require a major and sustained investment.

Avoiding such a commitment, a different approach has therefore been offered: change the governance structure of urban school districts. Proposals such as “mayoral control,” “portfolio districts,” and “recovery” districts (also referred to as “takeover” or “achievement” districts) all fit within this line of attack. These districts are often run by a governor or mayoral-
appointed authority, with locally elected board members stripped of power. Such dramatic governance shifts are often couched as responding to fiscal or other immediate crises, thus requiring the tossing aside of state laws and union contracts.4

The portfolio approach can overlap with either mayoral or recovery governance. A key, unifying element is the call for many neighborhood schools to be transformed into privately managed charter schools. The district’s central-office role would be correspondingly transformed into a manager of this decentralized collection of schools. Rhetorically, advocates of this reform describe a shift from a “school system” into a “system of schools.”5 Importantly, this approach does not confront nor attempt to remedy policies creating and sustaining concentrated poverty or those perpetuating a racist system of de facto segregation. Therefore, urban districts themselves are characterized as “failing.”

The portfolio district idea is primarily the brainchild of the Center for Reinventing Public Education (CRPE), and it has caught fire. The CRPE website currently lists 39 districts as members of its portfolio-strategy network, including New York City, Los Angeles, Philadelphia, Chicago, Detroit, New Orleans, Memphis, Nashville, St. Louis, Cleveland, and Denver.7 Additional districts such as Newark and Washington DC have implemented similar approaches.

Generally speaking, four reform strategies are combined, in varying degrees, in portfolio districts: (1) performance-based (generally test-based) accountability, (2) school-level decentralization of management, (3) the reconstitution or closing of “failing” schools, and (4) the expansion of choice, primarily through charter schools.8 CRPE adds pupil-based funding, more flexible use of human capital, and capacity building.9 Also, for the portfolio metaphor to work, the central office must play an active management role, which means that highly deregulated districts like New Orleans are problematic implementations.

While proponents of portfolio districts emphasize local community involvement, governmental authorization lies in state capitals and local school boards are typically shunted aside, leading to the objection that the policies are a power play about “money and power and control.”10 State-level advocacy for these policies, moreover, has often been misleading, and characterized by spin and cherry-picked data.11 Yet given the struggles of students in urban school districts, no proposal should be easily dismissed—so the question remains about whether the portfolio idea might be structured in ways that advance societal goals.
How well do portfolio districts work?

Beneath the abundant and vigorous advocacy lies a very limited body of generally accepted research. Understanding the effects of “portfolio district reform” is hampered by messy reform contexts, where portfolios are only one of several major ongoing reforms, thus weakening causal inferences. Understanding these effects is also hampered by definitional problems—elastic labels with different components and different names being applied in different places. Further, the school cultural changes are often massive, interactions are complex, and politicization generates a great deal of noise. This renders the isolation of specific facets enormously difficult. Yet amidst the claims and counterclaims, several findings are clear:

1. Charter schools do not appear to have much impact on test scores, but they do have some negative unintended consequences.
2. Similarly, school closures may have some positive or negative impact, but they certainly result in instability.
3. School turnaround approaches have, in general, been very disappointing, in large part because of the problems with closures and charter schools. The churn in the system, loss of institutional knowledge and loss of culture results in community and school disturbance and instability. Closing even low-performing schools can prove disruptive as community support dissipates, particularly if higher performing schools are not readily available.
4. Research on mayoral control shows mixed evidence concerning effects on test scores.

We would not be surprised to see some “portfolio districts” see some benefits, while others will see primarily detriments. Governance changes—particularly those aimed at decentralization and deregulation—tend to involve complex trade-offs. Opponents will be able to point to failures; advocates will be able to point to successes. In the end, though, student outcomes in under-resourced urban districts will continue to be driven by larger societal inequities.

Effects on Communities and Democracy

Recognizing that centrally run big-city school districts are often not very responsive to community voices, it is important not to idealize that system. But it is a system rooted in democratic election processes, with school board members held accountable through the ballot box and open to meetings and petitions from parents and community members. The Washington Post quoted Youngstown, Ohio’s Reverend Kenneth Simon explaining one problem with a state-run school district as follows:

They’re taking away the right of our own school board that we elected to govern. The school board has no power. The community has no say. I don’t know how African-Americans could sit and let them roll the clock back like this.

Similarly, as described in a recent report from the Center on Popular Democracy:

Children have seen negligible improvement—or even dramatic setbacks—in their
educational performance. State takeover districts have created a breeding ground for fraud and mismanagement at the public’s expense. The staff faces high turnover and instability, creating a disrupted learning environment for children. Students of color and those with special needs face harsh disciplinary measures and discriminatory practices that further entrench a two-tiered educational system.20

The report adds, “It cannot go unnoticed that an overwhelming percentage of the districts that have experienced takeovers serve poor African American and Latino students and voters.”21 This is happening at a time when new voting rights challenges are ongoing, with poor African-American and Latino communities objecting to exclusion from, and new barriers to, democratic decision-making.22

In short, each approach has its own limitations and drawbacks. Looking specifically at portfolio approaches, the private management of a community’s schools eliminates democratic accountability, substituting a system where schools are held accountable (by a central-office manager) for meeting performance standards or are held accountable through market forces. The ideal versions of each of these—democracy, the market, and portfolio managers—might, according to each set of advocates, theoretically result in responsive, high-quality schools. But those ideals are far from the reality.

Most importantly, however, all the evidence suggests that no governance approach will come close to mitigating the harms caused by policies generating concentrated poverty in our urban communities. In light of this core truth, does it make sense to privatize the management of urban schools?

Recommendations

The evidence on portfolio approaches should be understood in context. Educational outcomes in our urban areas were troubled long before the portfolio models were adopted. The main lesson of the portfolio model experiment is that policymakers should not be distracted by quick fixes promising cheap shortcuts. Portfolio models were proposed as a way to overcome problems of poverty and structural inequality and under-resourced schools—all through changes to the school management structure. Yet, as the Center on Popular Democracy report cautions, “State officials opted for structural change alone. And structural change by itself doesn’t work.”23

Nevertheless, are there research-based lessons for policymakers from portfolio experiences to date? At the most basic level, the portfolio model is agnostic about who runs schools and about the curriculum and pedagogy in the schools. The key element is a restructuring of authority, with the central-office role becoming a manager of a network of independently run schools. That is the starting point, but the next step is to look to research about what the model must also include.24

- Funding – Adequate funding must be provided to our neediest schools, with sufficient supplemental compensatory capacity.

- Stability – The hiring and retention of highly qualified principals, teachers and staff is a necessary element of long-term improvement. Children living in our most unstable environments need stable school environments.

- Relevant, responsive curriculum and pedagogy – People learn when material and
ideas are meaningful and build on their existing knowledge and experiences.

- Highly qualified teachers – Our neediest children should not be taught by a revolving series of our most junior and poorly prepared teachers.

- Personalized instruction – Without small class size and relationships with caring adults, personalized instruction is not realistically possible.

- On-site wrap-around services – With perhaps two-thirds of test score variance attributable to outside-of-school forces, and with no sign that concentrated poverty will be seriously addressed within our larger society, broader services need to be brought into schools.

- If expanded choice policies are under consideration, they must first be evaluated within a larger set of societal goals for schools, with “portfolio managers” accountable for crafting and effectively managing the system of schools to accomplish those goals. These goals include true integration and equitable access to each school and each course within a school.

- If a portfolio system is adopted, great care must be taken to assure the highest standards of programmatic quality, fiscal accountability, and checks and balances.

- If funded through public funds, the organizations must be transparent and subject to strict auditing procedures.

These features can and should be applied to traditional schools as well as portfolio schools. It is the quality of the educational program we provide and how we meet the needs of children that have a far more important and lasting effect than the type of governance structure.
Notes and References

1 The watershed legal case was the 1974 Supreme Court decision in *Milliken v. Bradley*, 418 U.S. 717, where the Court rejected an urban-suburban desegregation plan for Detroit. For a discussion of how this fits within the larger trends of turning to schools to overcome larger inequities, see Kantor, H., & Lowe, R. (2013). “Educationalizing the welfare state and privatizing education: The evolution of social policy since the New Deal.” In P.L. Carter & K. Welner (Eds.), *Closing the opportunity gap: What America must do to give every child an even chance* (pp. 25-39). New York, NY: Oxford University Press.


11 For an examination of this advocacy, see:


16 Positive effects were suggested by Kemple, J. (November 2015). High School Closures in New York City: Impacts on Students’ Academic Outcomes, Attendance and Mobility. The Research Alliance for New York City Schools. Retrieved February 3, 2016 from http://steinhardt.nyu.edu/scmsAdmin/media/users/sg158/PDFs/hs_closures/HighSchoolClosuresinNewYorkCityResearchAllianceforNYCSchools_pdf.pdf (in studying 29 closed schools along with other interventions in New York City, the displaced students performed no better than before; incoming students did better than their predecessors, but performance was still quite low; the research overall suggested that closure of poor-performing schools was positive but a broader array of reforms is needed.)


Archer, D.N. (2015). Still Fighting after All These Years: Minority Voting Rights 50 Years after the March on Washington. Berkeley Journal of African American Law and Policy, 17:


See generally:


This is a section of Research-Based Options for Education Policymaking, a multipart brief that takes up a number of important policy issues and identifies policies supported by research. Each section focuses on a different issue, and its recommendations to policymakers are based on the latest scholarship. Research-Based Options for Education Policymaking is published by The National Education Policy Center and is made possible in part by funding from the Great Lakes
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