

CHAPTER ONE

Introduction

Yolanda (not an individual but a composite) is a fourteen-year-old girl who attends a New Orleans charter school. She was eight in 2005, just about to enter third grade, when Hurricane Katrina forced her family to flee the city and separate in order to live with relatives. She spent several months out of school but eventually enrolled in elementary school in the small town in Texas where her mother's sister lived.

Schools in the Texas district were not considered at all advanced, so teachers in her new school were surprised to find out how far behind the other students Yolanda was. After trying placement in second grade, they returned her to a third-grade classroom but provided as much extra tutoring as they could.

Her father's work experience helped him get a job with a new construction company in New Orleans in early 2007, so her family was able to reunite and return to the city. Though the house the family had rented before the hurricane was destroyed, the family was able to rent a unit only a mile away. After a few weeks of moving and repairing a rental duplex that was not as "renovated" as promised, her parents contacted the Recovery School District and arranged for Yolanda's placement as a fifth grader in a new K-8 charter school.

The new school is run by a combination of New Orleans business people, college administrators, former New Orleans teachers, and teachers recruited from outside the state. It serves students like Yolanda, many of whom have experienced interrupted education, family separation, and loss of their old home. Moreover, most had been performing well below grade level in the schools they attended before the hurricane.

Throughout this book, we return to Yolanda's story and those of children, parents, and teachers in other cities. In the meantime, a debate rages about whether it is fair for Americans to demand more of their public schools. One side argues that high dropout rates and low achievement, especially among poor and minority students, are rooted in poverty and social conditions that schooling cannot overcome. The other side argues that schools do far less for poor and minority children than they could if they made better use of the time, money, and talent available to them. The debate has become nasty, with the first side claiming that schools and educators are being blamed for society's failings, and the second claiming that teachers unions and other defenders of the status quo put their own interests before those of children.

As is usual in polarized debates, both sides ignore inconvenient facts. Some schools are making innovative uses of time, money, and teaching methods and are having dramatic success with children who are otherwise likely to fail. However, even the most effective schools for disadvantaged children still don't work for all at-risk students. In particular, no one has found a way to reach the small minority of students who do not attend school faithfully and do not do the assigned work. Thus neither side's claims fit all the facts. In their candid moments, debaters on both sides concede both that poverty impedes many students and that many schools serving the poor are poorly staffed and inefficient. But neither side is about to abandon the debate, fearing that the other side would, if left unopposed, either totally dismantle public education or block reasonable efforts to improve it.

We are writing this book because we believe that both sides are partly right and that the current stalemate is harmful to everyone. It is possible both to maintain the core values of public education—including public oversight, a commitment to equity, and fair treatment of educators—and to organize public education so that it is always open to new ideas and new sources of talent. Stalemate leaves Americans in the worst possible position: millions of children leaving school unprepared to be effective participants in a competitive global economy and an increasingly complex political system.

Our goal is to explain a strategy that is emerging in many big cities. The strategy would preserve public education by transforming it from a stagnant entity that cannot adapt to the needs of its students into a

TABLE 1-1. Financial and School District Portfolios

<i>Financial portfolio</i>	<i>School district portfolio</i>
Diverse investments	New and promising school options
Constant review of performance	Sophisticated accountability systems
Strategic investment and divestment	Expand successful programs, intervene in or close unsuccessful programs

dynamic public enterprise engaged in a constant search for the set of schools and instructional experiences that best meet the needs of a diverse urban student population.

The Portfolio Strategy: What It Is and What It Isn't

The portfolio strategy, often introduced by mayors and others concerned with a city's future viability, is so named because it is founded on an idea similar to a financial portfolio (table 1-1). A financial manager aims for a diverse portfolio that performs well. She avoids betting everything on one investment, knowing that some holdings will perform much better than expected and some much worse. This manager is agnostic as to which companies are represented but knows that diversity is key and regularly reviews performance as well as industry and company news. When some stocks make impressive gains, more of those are added, and when some are trending poorly, those are sold.

A school district portfolio manager thinks the same way. No school model is right for every child, so the district needs a diverse array of schools. By constantly reviewing school and student outcomes, as well as school climate and neighborhood need, the portfolio manager knows which schools are both performing and trending well, which schools have the possibility of improving, and which schools must be replaced with options that are right for the affected students. Portfolio district managers also track performance closely and make sure everyone in the system has access to good data. The portfolio strategy is a way to seek a solution to a problem that has never been solved before, akin to the methods used to discover remedies to previously incurable illnesses or to develop computers that can do things previously thought impossible. In K-12 education the problem to be solved is how to effectively educate all

the children in a large city, including those from the most disadvantaged homes. The portfolio strategy does not assume that the best methods known today will always be the best available. Instead, it incorporates a spirit of continuous improvement, always asking, “Is this the very best we can do for our community’s children?”

Not every effort to create a new school or improve an existing one can work as planned the first time. With a portfolio, leaders add more of what’s working, eliminate what is not working, assess, and repeat. They also track performance closely and make sure everyone in the system has access to good data. As this book shows, school districts pioneering the use of the portfolio strategy have stirred up serious opposition. People whose jobs will change, or whose positions of influence are put at risk, often oppose the strategy. So do some families and property owners who like their current schools and do not want them to change, even when faced with evidence that some students are not doing well in them.

Ironically, despite the opposition it stirs up, the portfolio strategy has proven more sustainable than more narrowly conceived districtwide programs. As subsequent chapters show, school district portfolio strategies used in such big cities as New York, Washington, Denver, New Orleans, Los Angeles, Chicago, and Hartford have survived the departure of the public officials who introduced them. This rarely happens with narrow districtwide programs, which are identified with strong superintendents and have shallow support. Portfolio strategies can be more sustainable because they remake public education into a civic initiative that is open to both community input and resources.

Why Tell the Portfolio Story?

Our goal in this book is to inform mayors, governors, parents, educators, and civic leaders about the school district portfolio strategy—what it means, how it can be introduced into a city and used to benefit children, what conflicts it creates, and what political and financial resources are necessary to make it work. We think that many readers will conclude that the school district portfolio strategy is sensible, is necessary, can succeed, and is worth the effort.

We do not hide the risks and costs. These are real, as in any great undertaking that opens up new possibilities. Nor do we make claims that

every school district that has tried a portfolio strategy has seen all its schools transformed. Though there is positive evidence in terms of school quality and benefits to students, leaders in all the cities we studied are still searching for ways to make their worst schools better and their mediocre schools good.

If the only definition of success is brilliant performance in all things, no city's public schools have attained it. Critics who claim that the strategy is unproven are right, in the same sense that any evidence-based process (like the search for the cure for a disease) is unproven until its success is total. Where critics go wrong is to suggest that the lack of total success to date means that the portfolio strategy should be abandoned in favor of some districtwide programs like class-size reduction.

Unlike traditional districtwide programs, which require total commitment to one idea until it is proven not to work as hoped, the portfolio is adaptable (like a good financial strategy) and lets city leaders hedge their bets. It can't promise success instantly or every time, but its ceiling—what can be accomplished over a long period of continuous improvement—is likely to be higher than that of any single districtwide program. This is because the portfolio strategy is not committed to a single idea about how to improve schools. It allows school districts to try out many ideas in a disciplined way, use common metrics to compare different initiatives, build on what works best, and keep searching for something better.

The need for effective public education is greater than ever. As lifetime jobs disappear, workers are forced to compete with motivated and educated people from around the world; effective citizenship requires literacy and critical thinking; and consumers must be wary and informed. This is also a time when public education must compete with many other demands for public funding and can't expect dramatic increases in resources. In this situation there is no choice but to seek promising ideas from wherever they are available. That is the essence of the portfolio strategy and, we think, the future course of public education.

This book explains the portfolio strategy in detail: how it works, what it accomplishes, and how it handles (or exacerbates) the conflicts of public education. Though we try to present a balanced appraisal of the portfolio strategy, we do take one definite position: that the conflict stirred up by a reform strategy is in itself not evidence of its failure or a reason not to try it. Any change intended to drastically improve the performance of

schools is bound to stir up these conflicts in some way; the fact that conflicts are raging now is evidence only that real changes are made, not that the changes themselves are good or bad.

Our Research

Our findings are based on a thirty-month study conducted by the Center on Reinventing Public Education with support from the Carnegie Corporation of New York. The study consisted of extensive case studies of five cities—New York, New Orleans, Washington, Chicago, and Denver—that had transformed either all or major parts of their school districts via the portfolio strategy. We visited each of the cities several times, starting in January 2009, interviewing key actors in the city and school systems, interest groups in favor or opposed to the strategy (including union leaders), philanthropists, and educators. We also closely tracked developments in the implementation strategy (including major changes in direction and leadership) and gathered outcomes data (including analyses of student achievement and changes in teacher quality).

Thanks to the Annie E. Casey Foundation we were able to add case studies from Hartford and Baltimore, which provided a perspective on how the strategy can be implemented in smaller cities. Starting in late 2011 we were able to make a close study of Cleveland, which had just committed to a portfolio strategy under the leadership of Mayor Frank Jackson.

Chapters to Come

Chapter 2 summarizes the results of our close examination of school districts using the portfolio strategy over three years. It identifies the many attributes these districts have in common, such as adopting performance-based accountability systems for all schools, establishing a financially level playing field between existing and new schools, working to make themselves attractive to new principals and school leaders, opening themselves up to civic and human resources previously excluded from schools, closing unproductive schools and replacing them with more productive new schools, starting new schools, and making sure schools have choices about where they purchase teacher enhancement programs and other services. The chapter also shows how these districts differ, both in the

overall design of their strategies and the degree to which their strategies have been implemented.

Chapter 3 tells stories of how portfolio strategies emerged. It focuses on two cities, New York and Denver, with very different histories and politics. In New York, the takeover of schools by an extremely powerful mayor led to adoption of the portfolio strategy; moreover, Chancellor Joel Klein was able to exercise a tremendous degree of discretion, recruiting a small working group of highly capable outsiders to turn the school district around. In Denver, Superintendents Michael Bennet and Tom Boasberg shared Klein's ideas about the need to break up the public school monopoly but were constrained by the need to maintain a shaky majority on an elected conventional school board. Comparison of New York and Denver (with some further examples from Chicago, Washington, New Orleans, Hartford, Cleveland, and Baltimore) illustrates both how portfolio strategies can emerge under very different political circumstances and what preconditions school districts using a portfolio strategy have in common.

Chapter 4 examines the topic that is so often associated with portfolio strategies: conflict. It shows why there is always potential for strife around the subject of public education. Parents, teachers, neighbors, elected officials, and taxpayers all have their own interests, which overlap only imperfectly and partially with those of children. Those parties can act in ways they think are consistent with children's interests, yet clash with one another. The chapter shows how city leaders and others concerned about public education have handled these conflicts and how—or if—they have been resolved. Portfolio strategies have reopened issues that had for a long time been decisively settled in favor of one group over another. By doing so, the strategy raises the possibility that previously neglected groups could get a better deal. Only time will tell whether that, or some other less desirable result, will emerge.

The fifth chapter asks the bottom-line question: whether or not children benefit from a portfolio strategy. It first lays out an approach to assessing effects on different groups of students: those whom the strategy allowed to enroll in new schools, those who were forced to leave schools that were closed, and those whose existing schools experienced new performance pressures and the need to compete for students. Though no city now has all the data required to fully assess its portfolio strategy, this chapter assembles evidence from many sources to make the first broad

outcomes assessment. No reader will be surprised to learn that the results are mixed. But there is evidence that the portfolio strategy has succeeded in creating new options for the most disadvantaged students.

Chapter 6 assesses the future of the portfolio strategy as the leaders who first introduced it to their cities leave the scene. The chapter starts with a surprising result: that portfolio strategies have survived and even flourished despite the departure of figures like Joel Klein in New York City, Michelle Rhee in Washington, Paul Vallas in New Orleans, Michael Bennet in Denver, Arne Duncan in Chicago, Stephen Adamowski in Hartford, and Ramon Cortines in Los Angeles. Except for Klein and Duncan, successors were hired expressly to advance the portfolio strategy, and many have done so aggressively. In New York and Chicago, the strategy is back, but its future depends on city politics and superintendent succession.

These conclusions might be surprising in light of the phenomenon of “churn” identified by Rick Hess, who observes that, in general, school district reform strategies last only as long as the superintendent who adopts them.¹ They become dead letters sometime late in the originating superintendent’s term, as the enthusiasm surrounding his or her initial hiring evaporates, and they are replaced by something different when the next superintendent takes office. We consider two possible explanations for the hardiness of portfolio strategies, one based on widespread support for the idea in the business and professional communities and one based on the development of strong leadership “benches” within districts using the strategy (henceforth called portfolio districts). We also suggest the ways that federal and state policy can make the portfolio strategy a practical option for other communities that want to try it.

Chapter 7 discusses the likely future of the portfolio strategy, particularly whether, once a school district has adopted it, the district can ever go back to the old bureaucracy-dominated system of public education. We conclude that the portfolio strategy will have a “ratchet” effect, subject to occasional pauses but not to reversal.

The portfolio strategy is a complex response to a messy and multifaceted problem. It responds to a clear need to create new possibilities for children whose futures have been put at risk by weakened, big city, public school systems; but it is also complex and multifaceted, and it will have better results in some places and times than in others.

Yolanda's future, and that of millions of other children in big city schools, depends on the skills and commitment of the adults in her community, including teachers, district leaders, elected officials, and interest advocates. A portfolio strategy can enable adults to come together for effective action, but it cannot succeed without commitment, good will, and sustained effort.