

For Portfolio Supporters, Skeptics, and Would-Be Adopters: Some Thoughts From CRPE

Robin Lake and Ashley Jochim

The Center on Reinventing Public Education (CRPE) was founded nearly 25 years ago on an idea that Paul Hill, Larry Pierce, and James Guthrie wrote about in [Reinventing Public Education: How Contracting Can Transform America's Schools](#). In essence: school boards should focus on overseeing a “portfolio” of distinctive schools rather than directly running a set of one-size-fits-all schools. With real power over their curriculum and budget, educators would be able to do what was right for their students as long as they met their performance agreements. Public schools, Paul and his colleagues believed, should become mission-oriented organizations of excellence that families could choose among to find the best fit. The goal was to free schools from a bureaucratic stranglehold while maintaining the publicness of free, open-access schools.

A lot has happened since the early 1990s. Dozens of school districts have adopted an approach that we call the “[portfolio strategy](#).” These districts are giving schools power and agency over their futures and focusing the role of the central office on supporting schools, fairly measuring outcomes, and developing ways to ensure that equity is preserved. We at CRPE have spent two decades researching portfolio implementation and facilitating an active [knowledge-sharing network](#). Originally just a small gathering of forward-thinking superintendents, the portfolio network now includes a diverse collection of community, charter school, and district leaders. A growing number of local and national philanthropies are supporting portfolio progress. State and local policymakers are engaging in new ways. And a growing slate of national thought leaders and consultants are opining and advising national funders and localities with views that range from exuberance to disparagement.

It seems a good time for CRPE to take stock. Despite originating the portfolio idea, we have never considered ourselves evangelists for it. We try to identify and call out weaknesses in our own and others’ theories and always insist on rigorous analysis of results. In fact, we continuously look forward at what’s incomplete in our and others’ thinking. Now, after researching and observing more than two decades of strife and progress in portfolio implementation, we have some advice for both advocates and skeptics.

Is a portfolio approach necessary? Yes. We believe now more than ever that 1) choice is not magic and can exacerbate inequality, and 2) strategies that concentrate money and authority in the central office are unlikely to work in large, diverse, and chronically failing school systems. Skeptics need to own up to these two very real problems that the portfolio strategy attempts to solve.

But it is also essential for proponents to keep watching, questioning, and improving the idea, especially in three ways:

- Do not underestimate the challenge of portfolio implementation. Institutions and interest groups of all kinds fiercely resist change. Implementation requires clarity of vision, a long view, flexibility in approach and language, and knowledge building.
- Think of portfolio as a framework for solving problems unique to local realities, not a prescribed reform “model.”
- Keep looking forward. The portfolio strategy, conceived in the early 1990s, must continue to evolve or it will surely fall victim to politics, institutional lethargy, and constrained thinking.

Portfolio Is a Necessary Strategy

Choice advocates often delight in the idea that districts are not worth trying to change. We understand. Starting something new is often easier, and more fun, than changing an existing institution. Why not just disrupt the system as quickly as possible and replace it with charter schools and other forms of school choice? But there’s a flaw in the plan for anyone serious about a definition of public education that meets the needs of all students.

If the supply of charter schools were highly elastic, a good charter school could be put in place quickly every time a district-run school fell below some quality minimum. In that case, no student need be in a bad school. However, schools are not ordinary goods that can be easily produced to meet demand.

To the contrary, schools are complex human structures that must be built deliberately and need some time before the parts mesh productively. The best charter operators—like KIPP—grow their schools slowly, fearing that schools created too quickly will not work for students. Moreover, even when built deliberately, not all charter schools are as effective as their founders hope.

In big cities, district-run schools can collapse in quality faster than good charter schools can be built to replace them. Detroit and Cleveland demonstrate this: though they have some good charter schools, many kids choose to remain in district schools that are in a fiscal and academic death spiral.

For these reasons, in cities where charter enrollment is growing rapidly, charter providers and supporters cannot afford to focus only on growing market share. They must engage in systems questions. Anyone who cares about improving public education should care about students who stay behind in district schools.

Portfolio is not the only way a district can respond to competition, but we think it is the best solution for making school choice and district improvement efforts work together to avoid harming students. Portfolio attempts to protect students and taxpayers while maximizing the benefits of choice and school freedom. Maybe something better will emerge through the market alone, but wishing won’t make it so.

Any market-based disruption strategy brings necessary chaos. And while it’s nice to think that very minimal government regulation is enough or that self-regulation will occur, when it comes to student welfare, the public has, rightly, a very low tolerance for chaos. Denial of rights and other scandals bring political pressures for greater regulation, or court action. In other words, regulation is inevitable in public education. A well-conceived portfolio strategy is the way to make sure it doesn’t stifle innovation, choice, and performance.

Regulation is inevitable in public education. A well-conceived portfolio strategy is the way to make sure it doesn’t stifle innovation, choice, and performance.

Charter Schools Are a Limited—and Limiting—Vision of Portfolio

I (Robin) first read Hill, Guthrie, and Pierce’s concept of the portfolio strategy in 1993. The manuscript for *Reinventing Public Education* envisioned a set of schools that would operate on performance contracts with school boards. The idea was to give all schools the autonomy to serve students well and to innovate. The board would get out of the business of running schools directly and specialize in a new form of governance: Overseeing performance and equity. At the time, charter schools were an interesting new development that we at CRPE considered a strong potential supply of schools to operate as part of a portfolio.

Some charter advocates, however, see portfolio simply as an avenue for creating more charter schools, not a governance model that uses as many charter schools as perform better than other options. Viewing the legal structure as an end, not a means, is limiting and even dangerous thinking. For one, it diminishes the governance part of the strategy. People come to think of portfolio as a way of creating new schools rather than a new way of running a school system. It also ignores the reality that in many cities, the supply of high-quality charter schools is fundamentally limited for technical or political reasons. The race and class politics that have emerged over charters have cast the debate over portfolio in stark political terms, making negotiation, compromise, and coalition building much harder to do. Too many charter advocates have become as committed to their institution as traditional union interests are to their own, failing to acknowledge that an institution is simply a means to an end, not an end in itself. For portfolio to thrive in the long run, the concept must include a wide array of school models, including autonomous district schools, charter schools that partner with districts, and schools that operate under thin union contracts that respect school autonomy.

Question and Refine—But Don’t Apologize For—the Need to Centralize Some Functions

Jay Greene, Rick Hess, and others are right to suggest that portfolio has the potential to recreate the dysfunctions of school districts. Humans have a tendency to think that all problems can be solved if you just put enough smart people in charge at the top. Despite the fact that the original concept for portfolio tried to limit and focus government power toward protecting vulnerable students, recentralization can and does happen in portfolio systems. District central offices are inclined to try to control for every possible problem and often end up reregulating autonomous schools.

But districts are not the only ones inclined to centralize and reregulate. This also happens with charter authorizers and non-governmental organizations. Many charter management organizations (CMOs) are increasingly large, rigid, and centralized and are even failing to close down their own low-performing schools. Nonprofit organizations—often called “harbormasters” or “quarterbacks”—designed to create a supply of charter schools have their own top-down tendencies. It’s critical to watch for, and to put a check on, unnecessary centralization. (We have suggested some [legal constraints on school boards](#), for example, to limit their ability to reregulate.) But it’s too easy to assert that this is a problem that can be solved by getting districts out of the picture.

Free market proponents believe that choice solves problems of democratic politics by offering exit options from failing institutions. But communities care about whether they can influence decisions via the political process, not simply whether they can choose among providers. CMOs, authorizers, etc., can all be out of touch with the communities in which they operate and fail to recognize that choice is not free from the demands of politics. Choice won’t be sustainable in the absence of mechanisms for communities (parents AND taxpayers) to weigh in on how public schools are governed.

Portfolio critics offer few suggestions for how the accountability side of choice can be accomplished without portfolio management. They say that charter schools should be able to shop around for friendly authorizers

It's naïve and unethical to simply embrace chaos and disruption in hope that the market will eventually respond to student and family needs.

who will screen for quality. This idea works out well in textbooks, but anyone who has watched choice play out in places like Detroit, Ohio, and Florida knows that authorizer shopping creates too many opportunities for bad schools to persist and can create chaos for families. Our studies of Detroit have shown that having more than a dozen authorizers, most located outside the city, has created a situation where some neighborhoods are flooded with new schools, but few of those schools perform well.

Other neighborhoods are completely ignored. And no one is helping families with the inevitable externalities of the market: information, transportation, inadequate special education, and the needs of students left behind in a district spiraling out of control.

None of this is to say that portfolio offers a reliable playbook that can be cut from whole cloth. Many reasonable people disagree about how best to put its principles into action. But like Winston Churchill said of democracy, portfolio may be the worst form of government, except for all the others. The dangers of centralization are real under portfolio management. But no one should ever apologize for trying to get the right balance of government oversight and private initiative in place. It's naïve and unethical to simply embrace chaos and disruption in hope that the market will eventually respond to student and family needs.

Don't Underestimate the Challenge of Re-Missioning an Existing Institution

When Paul Hill and CRPE first started working on the portfolio concept 25 years ago, we had a pretty neat concept of how district central offices could transform themselves to orient around oversight, not operations and compliance. We have since built out organizational charts, revised job descriptions, and created implementation timelines. We have produced papers and tools on a wide range of technical challenges, including:

- Managing citywide [enrollment systems](#).
- Rethinking a diverse supply of supports outside of government.
- Developing [accountability systems](#) capable of providing good information to families and a fair assessment of quality across schools with diverse approaches and legal structures.
- [Reconfiguring how money flows](#) to schools to maximize control and equitable resources at the school level.
- Reimagining how school buildings can be allocated when the district no longer runs all or any schools directly.

But in addition to technical challenges, [we've seen districts](#) with even the most committed leadership struggle to pull off the change management and political maneuvering needed to re-mission a large institution. This is especially true when it involves actions that threaten powerful constituencies, and in [districts with declining enrollment](#), where it may not be possible to unwind legacy obligations and reduce the central office at the pace required under the pressures of shrinking budgets and charter competition.

We at CRPE have supported a large network of district, charter, and community leaders working together to develop and share new solutions as implementation challenges arise. And we've conducted a series of research projects to try to identify problems and solutions in as close to real time as possible. There is now a growing cast of consultants offering much-needed support to portfolio districts. But the complex nature of these issues requires much more than what any number of consultants can provide. It requires systematic knowledge building and sharing, informed by strong data. It also requires someone outside the district to hold a vision and provide honest critiques, something consultants—by their nature—are not inclined to do.

We have often played that role, pushing districts to be bolder, helping people charged with implementation understand how the pieces fit together into a whole strategy, and walking away if they were not really serious about changing.

Going forward, we think the portfolio world needs to hold ownership and hold each other accountable. Superintendents listen to other superintendents, their boards, and community leaders, not policy wonks. And everyone needs to guard against preconceived solutions. Reforms aren't sustainable when they lack political support and ideological solutions are unlikely to find success in the long run. No one serious about widespread portfolio adoption should kid themselves into thinking that portfolio implementation is easy or cheap. It rarely produces linear progress; it requires opportunism, humility, creativity, patience, and urgency.

Don't Become So Focused on Winning the Battle That You Lose Sight of the War

The real action on portfolio systems is at the local level. Justifiably then, much support and prodding is invested in getting districts to try to change, building up the supply of high-quality schools in certain cities, and mobilizing ground games via parent advocacy groups and others to fight for better options. Charter advocates have reasons to celebrate. Charter schools have mixed results overall, but strongly benefit minority and low-income children in big cities. Parents have mobilized on behalf of charter schools when political opponents threatened their existence. And, compared to the earliest days of the charter movement, greater numbers of community leaders, elected officials, and philanthropies support charter schools in their communities.

But the charter strategy is losing steam. Opposition is building on two fronts—that charter schools are done to, not by, families in big cities, and that transfers of funds to charters hurt students in district-run schools. Middle-class liberals have turned against charters as they fear the fiscal impact on district schools and see little potential benefit for their own kids. Rather than competing with charters, some districts have sought to cripple them with legislation.

The charter movement has focused on a few localities, hoping to build exemplars of totally transformed public education systems where districts have either gone out of business or completely embraced chartering. As we have argued elsewhere, this “tipping” strategy has proven much more difficult than expected, as charters end up competing with one another for talent and facilities rather than competing with districts so that charter growth in key cities is slowing, not accelerating. The charter movement now has a limited constituency and some real enemies who are not likely to be deflected by facts or argument. The movement needs a new political strategy—one that builds a broader constituency and whose success doesn't turn key supporters against it. And the movement needs to create new incentives, political cover, and flexibilities at the state level to allow districts to compete with or partner with charters.

Don't Let Portfolio Become Its Own Institution

Portfolio is not a perfect solution. Keep questioning and recognize shortcomings. We at CRPE have always been alert to the problems that portfolio implementation causes and have crafted our research agenda to quickly identify and help the field address those issues. More than anything, portfolio should be thought

When portfolio advocates become blind to the strategy's weaknesses, the strategy designed for innovation and renewal will instead be just another institution.

of as a problem-solving framework, not a model. We have also been clear that a portfolio approach may not be the right thing for every school district. And it may not always work. For that reason, we are committed to an honest assessment of outcomes, both long and short term, looking at performance and equity measures. We urge those investing in portfolio implementation to commit adequate research funding and support for truth tellers to continue this tradition. When portfolio advocates become blind to the strategy's weaknesses, the strategy designed for innovation and renewal will instead be just another institution.

Keep Looking Forward

CRPE designed the portfolio model based on the idea that we should move away from a “school system” to, instead, “a system of schools.” That was the right idea in 1990, but today we know that customization and choice, in medical care and every other sector, can serve individual needs in ways we never imagined before. As we look toward the rise of automation and the significant challenges of climate change, income inequality, and other issues, it’s clear that we will need to educate students in fundamentally different ways to meet their diverse needs, to emphasize creativity and problem solving, and to cultivate talent and leadership wherever it can be found. The demands on civic education, an equity agenda, and workforce training needs will require a radical personalization agenda far beyond what can be delivered in any one school. Education reformers have asked schools to serve every child’s diverse needs—a nearly impossible task.

Those who believe in the notion of portfolio systems must stop thinking in terms of school models that deliver one-size-fits-all solutions. We must instead think about schools and CMOs that will work to find resources, partners, and solutions for every student who chooses to attend. And for students who are not actively choosing, but who need alternative or accelerated courses, therapeutic supports, career training, and instructional options, portfolio leaders must take responsibility for opening up those new pathways and choices. That might include new investments and incubation for a new wave of innovators to take on these challenges.

Understanding how governance needs to evolve to connect students to the resources available in communities is central to the next iteration of this work. It will require thinking through funding, accountability, technology, and preK-16 delivery models that the portfolio strategy hasn’t yet begun to address. Rather than supplying and overseeing schools intended to deliver all learning, the focus must be on creating multiple pathways for student success and making sure every student has access to a portfolio of learning opportunities that best fits their needs and aspirations. It’s time to move from a system of schools to a system of learning. The history of education is schools, the future is students.