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# Who Governs Now? Takeovers, Portfolios, and School District Governance

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## **Who Governs Now?**

### **Takeovers, Portfolios, and School District Governance**

Mary L. Mason and Sarah Reckhow

State takeovers were an infrequently applied strategy to address the problems of financially and academically troubled schools for many decades. Although 23 states had the right to take over individual schools and No Child Left Behind (NCLB) required states to address persistently low-achieving schools, only five states had exercised their power by 2005 (Steiner, 2005). By 2006, a new state takeover model had emerged in Louisiana. Following Hurricane Katrina's devastation of New Orleans, state legislation adopted in November 2005 brought the majority of the city's public schools under state Recovery School District (RSD) jurisdiction. Since 2006, the RSD has moved aggressively towards creating a portfolio management model by authorizing numerous charter management organizations (CMOs) to operate its schools (Bulkley & Henig, 2015; Levin, Daschbach, & Perry, 2010).

The opportunity for a more extensive state role in taking over troubled schools grew further with the announcement of the federal Race to the Top (RTTT) program in 2009. RTTT required states to develop plans to turn around their lowest achieving schools. We examine how Michigan and Tennessee have developed and implemented plans for school turnaround districts partly inspired by Louisiana's RSD. Our comparative case studies focus on Michigan's policies and involvement in Detroit schools through the Education Achievement Authority (EAA) and Tennessee's policies and involvement in Memphis schools through the Achievement School District (ASD).

Although state-level, philanthropic, and charter school leaders in both states initially drew upon the RSD model, Michigan and Tennessee have diverged from the RSD—and from one another—in many respects. These differences highlight some challenges to replicating the RSD in other contexts and, more generally, raise questions about school turnarounds primarily led by networks of outside actors. We examine divergence in state legislation and leadership, resources (federal and philanthropic), engagement with charter schools, and district-level leadership. The EAA and ASD have faced additional challenges due to their policy and political contexts, including a city-county merger in Memphis and an ongoing fiscal crisis in Detroit. Local school leaders in both cities have

also developed their own reform plans, and may be reluctant to expend political capital on controversial state-led efforts. Our analysis sheds light on whether outside investment and leadership can spur sustainable reforms in urban districts.

### **Conceptual Framework: Turnarounds and Portfolios**

The development of state-led turnaround districts in these states has occurred during a period of broader institutional shifts in K-12 education. Education politics is increasingly debated in the realm of general-purpose governments, rather than remaining within the specialized domain of school districts and state boards of education, a move that Henig calls the “end of exceptionalism” (2013). These political shifts can alter the types of reforms policymakers consider. Accountability, market-based reforms, and service contracting, with long-established policy histories in general-purpose arenas, are becoming more prevalent in education (Henig, 2009). Moreover, the growing role of general-purpose governments may change the mix of influential actors in education politics. While groups tied to education (e.g. teacher unions, administrators) were often dominant within education-specific institutions, business leaders and philanthropists might enjoy greater access when legislatures, governors, and mayors take charge (Henig, 2013). In both Michigan and Tennessee, the development of the state turnaround districts involved gubernatorial leadership (in both states) as well as the legislature (mostly in Tennessee).

Conversion to a charter school is an NCLB restructuring option for chronically low performing schools, but was used infrequently in the early 2000s (Mead, 2007). The idea of charter conversion as a broader strategy for school turnaround has largely spread through its adoption in particular urban districts. Louisiana’s RSD—which became the country’s first all-charter district in 2014—enacted a large-scale transformation of traditional public schools into charter schools, with many now operated by CMOs. Unique circumstances partly fueled this approach, including the need to re-open schools closed after the storm as families returned to the city (Levin et al., 2010). Yet the RSD also drew upon a new strategy for involving charter schools on a larger scale—the portfolio management model or PMM—and a constellation of national organizations (philanthropists, CMOs, Teach For America) converged in New Orleans to support the PMM’s emergence (Jabbar, 2015; Levin et al., 2010).

The strategy of implementing school turnarounds on a broader scale is not limited to New Orleans; Los Angeles has also undertaken a locally led effort to combine PMM with school turnaround (Marsh, Strunk, & Bush, 2013). Paul Hill has articulated and promoted the idea of PMMs; as he explains: “[Schools would] be operated by a variety of public and private organizations, based on

school-specific contracts that would define each school's mission, guarantee public funding, and establish standards and procedures for accountability" (1995, p. xi). The institution that manages schools—a traditional local district, mayoral-controlled district, or state-level entity—is charged with holding these diversely operated schools accountable for performance, recruiting and contracting with new providers, and offering some coordinated services (e.g. centralized enrollment systems, transportation). A handful of districts began developing district-level approaches to PMM in the early to mid-2000s, including New York City, Chicago, Los Angeles, Philadelphia, and New Orleans. In many of these districts, traditional schools have been converted to charter schools, with the expectation that a charter operator could turn around a low-performing school.

PMM approaches have rapidly expanded to other districts. The Center on Reinventing Public Education (founded by Hill) operates a Portfolio Network of more than 45 districts. As the model has spread, PMM districts have become more diverse in the ways they operate. Bulkley and Henig (2015) distinguish between places where PMM was locally initiated and places where state/national actors initiated PMM. Along with Louisiana's RSD, they highlight Tennessee's ASD as PMMs initiated by state/national level actors. They observe that state-run districts have "proven particularly attractive to national foundations and others seeking to support dramatic change...even if proponents of local control may have good reason to find it unsettling" (Bulkley & Henig, 2015, p. 78). Drawing on this framework, we examine how networks of state and national level actors have attempted to initiate PMM-style reforms in Michigan and Tennessee.

Many PMM districts recruit outside organizations, including CMOs to operate charter schools, teacher recruitment (Teach for America), and leadership training (New Leaders for New Schools). Foundations have been particularly involved in funding these types of groups (Reckhow, 2010; Reckhow & Snyder, 2014). Yet the introduction of new organizations to operate schools and recruit/train personnel can make PMM implementation combined with school turnaround into an expensive package. Neerav Kingsland (2014), the former CEO of New Schools for New Orleans, estimates New Orleans received about \$100 to \$150 million in grants from philanthropists and governmental sources over a ten-year period. He discusses how this would translate to other cities, and acknowledges that it is unlikely that philanthropy alone could provide sufficient resources for New Orleans-style reforms elsewhere. This highlights the significant role of resources in developing outside-led PMM. We examine how differences in attracting resources might have shaped PMM implementation for the EAA and ASD.

Thus, the development of the EAA and ASD occurred with the convergence of several important factors: the shifting institutional landscape of K-12 education empowering new actors, federal support for rapidly implemented school turnarounds, the rise of PMM as a new form of district management and strategy for school turnaround, and the need for significant outside investment to fully initiate a PMM model. In combination, these factors draw upon state and national level networks of actors to develop and implement a portfolio of schools, including state officials, CMOs, and philanthropists. Research shows that the critical work of school turnaround is best supported with political and financial stability (Cohen, Peurach, Glazer, Gates, & Goldin, 2013); ideally a state takeover would ensure these conditions are met, but in practice, a state takeover may produce new political turmoil. Moreover, these actors do not enter a political vacuum when taking over traditional local schools (Jabbar, 2015). Quite the opposite is true; each district—and each individual school—is tied to its own system of interests, groups, and histories. These issues may be even more potent given the urban contexts involved in each state-led transformation—New Orleans, Memphis, and Detroit share histories as majority-black cities with long-standing challenges related to poverty, disinvestment, and segregation.

### **Background: Cases**

Though Tennessee and Michigan are in geographically and historically distinct regions of the country, some remarkable historical and political similarities in their largest cities—Memphis and Detroit—influence their current education reform paths. Racial segregation and inequality are significant factors underlying the politics and social relations of both cities. Until the 1960s, Jim Crow laws required segregation in Memphis schools, with separate schools for Black and White students. The 1968 assassination of Martin Luther King, Jr. and related racial unrest and a federal school desegregation order in 1971 led to “white flight” from the city and to suburban and private schools, leaving the city schools still highly segregated. The City of Detroit and its public schools became increasingly segregated after World War II as manufacturing plants left the city. Poverty, housing policies and lack of public transportation left a high proportion of poor and Black residents in a city with shrinking population.

In 2010, when both states submitted RTTT applications, Detroit’s population was 10.6 percent White and 82.7 percent Black or African American while Memphis was 29.4 percent and 63.3 percent respectively. Both have among the highest poverty rates in the country, with 25.4 percent in Memphis and 34.5 percent in Detroit (U. S. Census Bureau, 2012). White flight from the public schools was even more dramatic than in the cities. The Memphis public schools went from 48 percent White and 52 percent Black in 1967 to

12 percent White and 85 percent Black by 2000; in Detroit, the public schools were 41 percent White and 58 percent Black in 1967, and 4 percent White and 91 percent Black by 2000 (Frankenberg, Lee, & Orfield, 2003).

The lingering tensions between Black, mostly poor, urban residents and White, mostly more affluent, suburban residents are apparent in recent events in both cities. In 2013, the Memphis City Schools completed a merger with the suburban Shelby County school district. According to some reports, the merger was prompted by the fear that the Shelby County district would take steps that would reduce funding to the city school district. Further, once the merger plan was in place, six cities opted to pull out of the Shelby County schools and form their own school districts (Dillon, 2011; Maxwell, 2014; Sainz, 2011). The Detroit Public Schools (DPS) have been under the control of a state-appointed emergency manager since 2009, due to a burgeoning financial deficit. The state intervened twice before, including a takeover from 1999 to 2005. Despite the state's efforts, financial and academic problems have become worse. Budget shortfalls continue, with a projected accumulated deficit of \$335 million in June of 2016, up from \$238 million a year earlier (Zaniewski, 2015a). Given this history in both cities, it is not surprising that many residents view the state reform district takeovers with suspicion.

### **Methods and Data Sources**

Our case studies involve three main areas of investigation and data collection. First, we analyzed documents related to the development of the EAA and the ASD, including legislation, legislative hearings, planning documents, and reports. We also reviewed newspaper articles covering the ongoing activities of both the EAA and ASD.<sup>1</sup> Second, we conducted informational interviews with ten informants directly involved with or knowledgeable about EAA and ASD implementation. We combined the information gathered from documents, hearings, and interviews to present a narrative of the formation and development of the EAA and the ASD. The Appendix offers a summary table comparing key aspects of the EAA and ASD to complement the narrative explanation.

Third, we gathered several types of data on the EAA and ASD to anchor our comparisons. We compare enrollment figures over time from the state department of education data system in each state. We traced philanthropic involvement using grant data from the 990-PF tax returns for major foundations involved in both places covering three years—2011, 2012, and 2013. For Michigan, we included four local foundations that our informants and document sources identified as financial supporters of the EAA's

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<sup>1</sup> Newspaper sources included the *Detroit Free Press*, *Detroit News*, *The Commercial Appeal* (Memphis), and *Education Week*. We also used the education news site *Chalkbeat Tennessee*.

development: the Skillman Foundation, Kellogg Foundation, Kresge Foundation, and McGregor Fund. For Tennessee, we included three local foundations similarly identified as financial supporters of the ASD's development: the Hyde Foundation, Poplar Foundation, and Pyramid Peak Foundation. Pyramid Peak does not report grants directly on its 990-PF; the foundation distributes funds to a donor advised fund managed by the Community Foundation of Greater Memphis. Yet the Executive Director of Pyramid Peak Foundation, Jim Boyd, serves on the board of directors of two CMOs affiliated with the ASD (Aspire Tennessee and Green Dot) and the Tennessee Charter School Incubator. To trace Pyramid Peak's grants, we identified grants in the 990-PF filed by the community foundation to these organizations, which were attributed to "anonymous."

In addition to local philanthropic grants, we gathered data on grants related to the EAA and ASD from two major national funders which have been highly involved in supporting these reforms: the Broad Foundation and the Gates Foundation. For all nine foundations, we collected all grants related to the state-run districts, along with any grants related to K-12 education in Memphis and Detroit. We categorized the grants to identify grants supporting activities most closely related to the development of PMM districts, including grants supporting charter schools, teacher/principal programs, education nonprofits, and grants directly funding the ASD or EAA. In addition to specific grant-making activities of these funders, we also examine more informal forms of involvement in supporting other networks actors surrounding these state-led districts. In addition to philanthropic data, we incorporate other financial data for both the ASD and EAA. Using budget documents and federal grant reporting, we gathered federal grant-funding data for the RTTT and the I3 programs as well as state grant funding.



## Findings

### Planning State-led Districts in Michigan and Tennessee

In their RTTT grant applications, both Tennessee and Michigan chose statewide school reform districts as the ultimate intervention for persistently low-achieving schools. In early 2010 each state adopted legislation creating reform districts: Tennessee's Achievement School District ("First to the Top Act," 2010) and Michigan's State Reform/Redesign District ("Revised School Code," 2009). Tennessee won a \$500 million RTTT grant in 2010 while Michigan won nothing. Together with their unique local contexts, that difference opened up space for different actors and set the two states on different paths to reform district implementation. Tennessee's path would be more direct while Michigan's would be complicated and turbulent.

Tennessee's RTTT application describes the ASD as "a new statewide district that will empower a new set of leaders to carry out dramatic strategies to enact powerful change in these schools" (State of Tennessee, 2010, p. 123). The First to the Top Act (2010)<sup>2</sup> created the ASD as the most intensive intervention in priority schools, primarily the lowest-achieving five percent. The state education commissioner has authority to place any priority school in the ASD and to remove a school at any time. In governing the schools, the state education commissioner may contract with "one or more individuals, governmental entities or nonprofit entities to manage schools" (Section 614(b)) or may directly manage them. A 2011 amendment to the charter school law allows the ASD to authorize charters.<sup>3</sup> Schools remain in the ASD for a minimum of five years and, if improving, develop a transition plan to prepare to return to their home districts.

Michigan's State Reform/Redesign District (SRRD) law provides for a state school reform/redesign officer (SRRO) reporting to the superintendent of public instruction. All of the lowest-achieving five percent of schools are placed under the supervision of the SRRO and required to submit a redesign plan. Those with approved plans are given training, support and assistance. Schools whose plans are not approved or, in the judgment of the SRRO, are not making adequate progress must be placed in the SRRD under the direct control of the SRRO. A school may be released from the SRRD when the SRRO determines and the state superintendent agrees

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<sup>2</sup> *The discussion here is of the Act as amended since 2010.*

<sup>3</sup> *Tenn. Code Ann. §49-13-104.*

that the school has made significant improvement in student achievement and should be released. Unlike Tennessee, there is no timetable for transfer back to the home school district.

The Tennessee and Michigan reform district laws were adopted under Democratic governors—Phil Bredesen in Tennessee and Jennifer Granholm in Michigan. Both laws became effective in January of 2010 and both states submitted their phase one RTTT applications soon after. Tennessee’s \$500 million RTTT award was announced at the end of March of that year. Over \$100 million of that was budgeted for school turnaround activities, including nearly \$50 million for the ASD. Michigan applied again in the second phase but was not among the winners announced in August, leaving the state with no new federal funding to implement the law.

Tennessee Governor Bill Haslam, a Republican, took office in January of 2011 and appointed Kevin Huffman as state education commissioner. Huffman, a lawyer, TFA executive, and former TFA corps member, had strong ties to school reform proponents. In May, Haslam and Huffman announced the appointment of Chris Barbic, founder of the highly praised YES! Prep CMO and graduate of the Broad Superintendent’s Academy, as ASD superintendent. These appointments indicated Haslam’s commitment to supporting a portfolio district for the ASD. Under Haslam, Tennessee also requested revisions to its RTTT grant to expand the capacity of the ASD, including hiring a “chief officer of portfolio management” (U. S. Department of Education, 2012). Once Barbic was hired as ASD superintendent, the ASD began preparations for taking on its first schools in the fall of 2012.

Michigan Governor Rick Snyder, a Republican, also took office in January of 2011. During his first year in office, Snyder announced his plan for placing the lowest-achieving schools in a school reform district, outlining a proposal that would bypass the SRRD. Governor Snyder and DPS emergency manager Roy Roberts announced the formation of the Education Achievement System (EAS) in June 2011, to be governed by a new Education Achievement Authority (EAA). The EAS was described as: “a new statewide school system that will operate the lowest performing 5 percent of schools in Michigan not achieving satisfactory results on a redesign plan or that are under an emergency manager” (State of Michigan, 2011). Curiously, this matched the description of the statutory SRRD. But this new system of schools was created outside of the legislative process through an agreement between DPS and Eastern Michigan University and governed by a board where the governor appoints the majority of members. Its relationship to the Michigan Department of Education (MDE) and its SRRD was unclear for months until an agreement was signed between the MDE and the EAA to transfer all SRRD authority to the EAA. The state SRRO would continue to work with schools and their redesign plans and place

schools in the reform district, but would have no authority over them after placement. The system would start with low-performing schools in Detroit, assigned by the DPS emergency manager, in the fall of 2012 and then expand statewide.

The EAA was to use 2011-12 as a planning year and operate its first schools the next year. The governor, however, promised no new funding for start-up or other costs. Rather, start-up funding, including the planning year, would come from private donations. The Broad Foundation and Eli Broad himself led the philanthropic effort to secure necessary funding. In fact, Broad had been an important part of the planning for the new reform district (Jesse, 2011). Beyond securing funding, Broad provided advice, technical support, and school reform connections during EAA planning and implementation (Inside the EAA, 2014). Eli Broad grew up in Detroit; as he described in a recent interview, “My wife and I attended Detroit Public Schools... We want to give back” (Goodaker, 2014). This personal connection and a belief in the PMM reform model drew Broad into significant involvement and financial support for the EAA.

### **Differences in Implementation**

While there are many similarities between Tennessee and Michigan and between Memphis and Detroit, their different approaches to implementing state-level districts may significantly shape the emergence of a portfolio model in each city. In August of 2011, the EAA board hired its first chancellor, John Covington, an experienced school district superintendent and a graduate of the Broad Superintendents Academy. Covington built a strong central office that established district-wide policies, including a specified teaching and learning method. Covington expected to start with 38 DPS schools and envisioned a statewide district with more than 100,000 students after three years (Dawsey, 2011). In Tennessee, Barbic was using a more decentralized approach, recruiting CMOs to turn around schools and expanding slowly. Both the ASD and the EAA converted some schools to charter schools. By 2015, the ASD had taken over 29 schools—27 in Memphis; five directly run by the ASD and 24 charters. Only three of the 15 EAA schools are charters, converted when they were taken over in 2012.

Although the EAA and ASD differ in the extent of their CMO partnerships, both state-run districts have been heavily reliant on TFA for their teaching forces. For the 2012-13 school year, 27 percent of EAA teachers were from TFA (Covington, 2013). Similarly, 20 percent of ASD teachers in its inaugural year were first-year TFA corps members (Roberts, 2012).

Barbic’s slower approach to ASD school conversions resulted in very different enrollment trajectories for the EAA and ASD. In its first year, 2012-13, Michigan’s EAA operated 15 former DPS schools. The ASD began the same year with six schools—five in Memphis and one in Nashville. Over time, the ASD has steadily added schools and enrollment. Meanwhile the EAA has maintained control of 15 schools but struggled with maintaining enrollment. Enrollment has significant repercussions for the EAA’s finances, since operational revenues are determined by state per pupil allocations (Mason & Arsen, 2014).

Beyond state per pupil revenues, both the EAA and ASD sought funds from other sources. RTTT money gave Tennessee much of the necessary resources for implementation. The four-year time frame for spending the money and RTTT reporting requirements also provided structure and motivation to move quickly. Michigan had no implementation money and, as noted by state superintendent Mike Flanagan, the “law does not provide the School Reform/Redesign District with a practical operating entity” (Michigan Department of Education, 2013).<sup>4</sup>

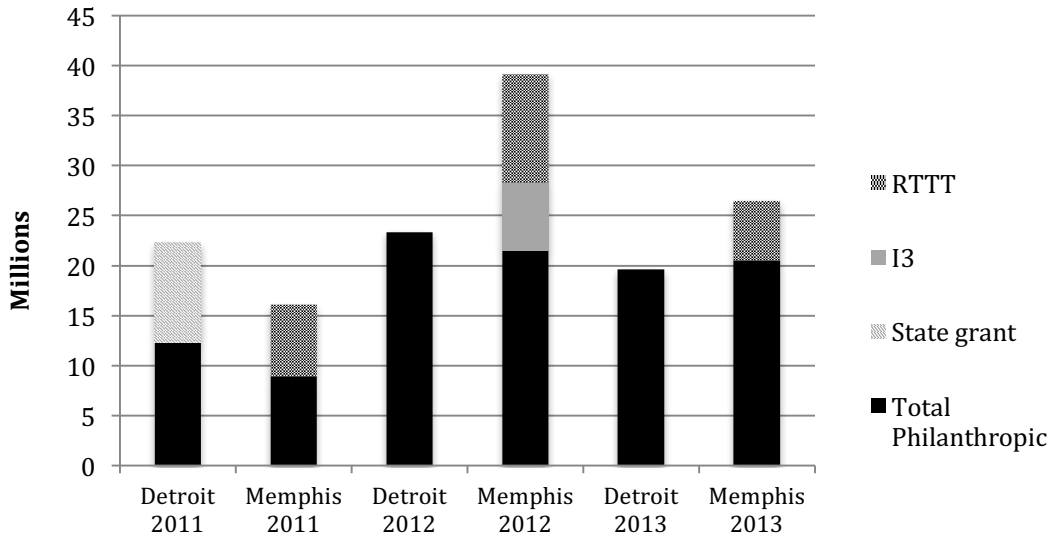
Figure 1 contrasts the grant funding support for the EAA and ASD from 2011 to 2013. These years encompass the planning/start-up year for both districts (2011-12) and the first school year. We have not included state per pupil funding (which both districts started to receive in their inaugural school year), but focused on “extra” funds from public and private grant sources. We excluded grants to the local public school districts (Shelby County Schools and Detroit Public Schools) to focus on funding for efforts aligned directly with the new state turnaround districts and their development of portfolio districts involving outside partners (e.g. CMOs, TFA, etc.).

The difference in funding levels largely stems from federal grants. The state of Michigan made a \$10 million grant to the EAA to bring buildings up to code, providing an initial boost (Mason & Arsen, 2014). But, because Michigan failed to win RTTT funds, there was limited federal support for the EAA’s transition to a portfolio district. The EAA did win an \$11.5 million federal Teacher Incentive Fund grant, but as of 2015, had not spent those funds (Zaniewski, 2015b). Meanwhile Tennessee’s RTTT budget included appropriations for supporting the ASD. The ASD also received a federal Investing in Innovation (I3) grant, in collaboration with the RSD and New Schools for New Orleans. The grant called for replication of the RSD model, and the ASD was chosen as a partner. In 2012, the ASD was able to offer \$6.8 million in I3 funds to CMOs seeking to operate schools in the ASD as part of this effort.

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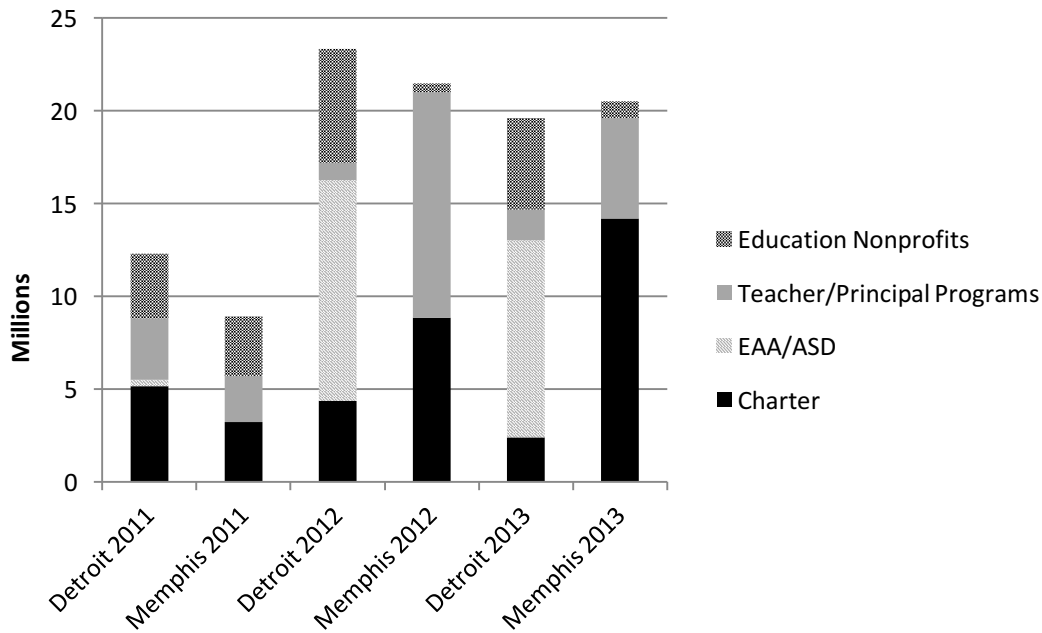
<sup>4</sup> The governor and the Legislature made unsuccessful attempts to establish the EAA in law and make it that operating entity. The ASD has been supported by several amendments, including school district status and the ability to authorize charter schools.

**Figure 1: Sources of Grants supporting Portfolio Districts in Detroit and Memphis**



The significance of the lack of federal dollars for Michigan’s EAA becomes more apparent in Figure 2. It displays the recipients of philanthropic grant dollars supporting portfolio development in each district. As Figure 1 shows, overall philanthropic funding levels are quite similar. The key difference is that by 2012 and 2013, a substantial portion of funds in Detroit supported the EAA directly. At this point, the ASD was funding its operation primarily with RTTT funds. This allowed philanthropists funding the ASD to direct their dollars in other ways—providing much more funding to charter schools and CMOs, as well as teacher/principal pipeline programs (TFA and New Leaders for New Schools). Philanthropists distributing grants for portfolio related programs in Detroit gave more for charters in 2011, but that funding decreased in subsequent years, as grants for the EAA grew larger.

**Figure 2: Recipients of Philanthropic Funds for Portfolio Districts in Detroit and Memphis**



Our Detroit-based informants supported this account, describing how the EAA was “prioritized” relative to other educational initiatives. Meanwhile, new CMOs recruited to operate in the ASD could rely on philanthropic dollars for their first few years. For example, Aspire Tennessee, which operated three ASD schools in 2014-15, reported 14 percent of its revenues would come from donations for that school year (Aspire Public Schools, 2014). But, with the end of RTTT funds, 2015 marks a funding transition for the ASD. Barbic has stated “We’ve essentially raised what we need for next year...and roughly half of what’s needed for the following year”—reporting support from the Bloomberg, Broad, and Dell Foundations (“Goodbye, RTTT. Hello, philanthropy,” 2015). Thus, ASD revenues may more closely resemble the EAA as it relies increasingly on philanthropic funding for operational support.

The handling of the transition out of the reform district could have an important long-term impact on reform district schools. Tennessee’s RTTT application mentions the need to work with the home district “so that achievement gains are not reversed when the school returns” (State of Tennessee, 2010, p. 127). In Michigan, the EAA legal documents say nothing about school transitions. This difference in the connection between state and local authorities could prove to be significant in turnaround schools’ long-term success.

### Discussion: Local Response and Sustainability

A crucial question for both the EAA and ASD is the sustainability of their efforts. Both have relied on significant philanthropic funding and continue to seek these grants for future operations. Both have used high numbers of TFA teachers. Both have benefited from political support by Republican governors who are term-limited after their current terms. Both have seen their initial leaders—Barbic and Covington—resign from office. Will the external networks supporting them be sufficient to maintain and expand their operations? We argue that investment and involvement from local political networks will be essential to sustain these reform districts, but externally led PMMs rarely provides the necessary opportunities for local engagement.

In Detroit, local stakeholders' responses have ranged from wary reception to protest and mobilized opposition. Moreover, state-led plans have often conflicted with school reform efforts by local philanthropists and other elites. In March of 2010, a group of civic elites and foundations—including the Detroit-based Skillman Foundation—proposed a portfolio system with mayoral control of the schools (Excellent Schools Detroit, 2010). Coalition members pledged action, including significant funding. They began implementing parts of the plan, including annual school report cards and a new-school incubator, but a year later the EAA and its competition for philanthropic funding preempted full implementation. Michigan also adopted legislation lifting the cap on the number of charter schools in 2011. As one informant explained: “between the creation of the EAA and then the lifting of the cap...it was such a quick and substantive change in the environment, such a quick pivot to an unregulated marketplace.”

In 2014, with the EAA faltering and no real improvement in DPS under emergency managers, the Skillman Foundation was back with a new education initiative. Skillman helped lead the 35-member Coalition for the Future of Detroit Schoolchildren (CFDS). In March of 2015 the coalition issued its report with specific recommendations, including a commission to act as the portfolio district manager, return of DPS to local control with state payoff of its debt, and terminating the EAA (Coalition for the Future of Detroit Schoolchildren, 2015). A month later, Governor Snyder presented his plan with some similarities to the CFDS plan, but largely retaining state control (Snyder, 2015). Many of the changes in both plans would require legislative action. Without state-level political and financial support, Detroit's second attempt at a locally led initiative is currently stalled.

As the ASD expands, there is growing backlash in Memphis. Several pieces of legislation were introduced to limit or eliminate the ASD but none have been approved. One local response is the innovation zone (iZone) instituted by the Shelby County school district, including the Memphis schools, to turn around its low-performing schools. Tennessee law enables this alternative to

ASD control for schools on the priority list (the bottom five percent based on test scores). Both state law and the district's public financing support this local initiative.

Following an initial collaborative relationship, Shelby County Superintendent Dorsey Hopson recently protested the fact that the district has no say in ASD school takeover decisions. The ASD may take over any school on the priority list despite local reform efforts and school progress. In one case, a reform plan created with "help of community leaders" and a state representative was ignored in ASD's takeover decision (Buntin, 2015). Hopson and the Shelby County district responded with new initiatives, including ending colocation of district schools and ASD charter schools, considering expansion of transportation to help students in ASD takeover schools, and organizing to block a proposed ASD takeover (Burnette, 2015).

Though the ASD and the EAA are in their fourth year of operating schools, the future for both is still uncertain. Both have fallen short of promised academic gains (Higgins, 2014; Tatter & Cramer, 2015). Public opposition continues in both cities with potential political consequences, particularly for the EAA. Both have had leadership changes. Veronica Conforme, who worked in New York City schools under Joel Klein in Mayor Bloomberg's administration, became the second EAA chancellor in June of 2014. Chris Barbic is leaving the ASD at the end of 2015. New leadership will impact the course of both reform districts. In the end, though, "Whether the 'portfolio' approach succeeds in Memphis [or Detroit] in the long-term will likely depend on whether its backers can strike a balance between respect for localism and desire for results" (Carr, 2013).

Financial stability is also a key issue. The ASD has to replace expiring federal funds with philanthropic funds while the EAA's goal is to become independent of private funds. Initially, philanthropists were attracted to support these new districts. Yet Skillman and other local funders, disillusioned with state control, are now backing a new locally led reform plan for Detroit. The Shelby County iZone schools compete with the ASD to lead school turnarounds and also compete for philanthropic dollars. CMO operators in the ASD recognize that philanthropy is not always enough to support their efforts in a highly competitive environment. When YES Prep withdrew from its plans to open a new ASD school, YES Prep Memphis Superintendent Bill Durbin explained, "Even with additional philanthropic support, we do not see a path to YES Prep-level student achievement results based on student-generated revenue" (Burnette, 2015).

The formation of the EAA and ASD reflected the leadership of state and external partners in both urban districts. In practice, their introduction has added yet another district-like bureaucracy to the complex and evolving systems of school governance in both



places. Key challenges involving finances, competition among schools, leadership turnover and lack of district-wide governance remain unaddressed by state policies. As Shelby County superintendent Hopson said of the ASD, “This is what competition looks like” (Burnette, 2015); and competition for both funds and students will likely shape the future of governance in both Memphis and Detroit.

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**APPENDIX**  
**TABLE: Comparing the ASD and EAA**

	<b>ASD</b>	<b>EAA</b>
<b>Leadership</b>	<p><u>State</u>  Gov. Bredesen (D) 2003 - 2010  Gov. Haslam (R) 2011 –</p> <p><u>Reform district</u>  Barbic: 2011-2015</p> <ul style="list-style-type: none"> <li>• TFA Alum</li> <li>• CMO founder</li> <li>• Broad Sup. Academy</li> </ul> <p>Anderson: 2016-</p> <ul style="list-style-type: none"> <li>• Academic analysis; DCPS</li> <li>• Broad residency</li> </ul>	<p><u>State</u>  Gov. Granholm (D) 2003 - 2010  Gov. Snyder (R) 2011 -</p> <p><u>Reform district</u>  Covington: 2011-2014</p> <ul style="list-style-type: none"> <li>• Traditional district superintendent</li> <li>• Broad Sup. Academy</li> </ul> <p>Conforme: 2014-</p> <ul style="list-style-type: none"> <li>• Finance and operations: NYCDOE</li> <li>• Broad Sup. Academy</li> </ul>
<b>Enabling Policies</b>	<p>2010 “First to the Top” legislation- ASD</p> <ul style="list-style-type: none"> <li>• Amended since to strengthen ASD</li> </ul>	<p>2010 Race to the Top legislation-SRRD</p> <ul style="list-style-type: none"> <li>• SRRD never took over schools</li> </ul> <p>2011 Interlocal Agreement—Gov. Snyder, DPS, and EMU—created EAA</p> <ul style="list-style-type: none"> <li>• All attempts to establish EAA through legislation have failed</li> </ul>
<b>Resources</b>	<p>Philanthropic Funders:</p> <ul style="list-style-type: none"> <li>• Hyde Foundation</li> <li>• Poplar Foundation</li> <li>• Pyramid Peak Foundation</li> <li>• Broad Foundation</li> <li>• Gates Foundation</li> </ul> <p>Major Federal Grants</p> <ul style="list-style-type: none"> <li>• RTTT</li> <li>• I3</li> </ul>	<p>Philanthropic Funders</p> <ul style="list-style-type: none"> <li>• Skillman Foundation</li> <li>• Kellogg Foundation</li> <li>• Kresge Foundation</li> <li>• McGregor Fund</li> <li>• Broad Foundation</li> <li>• Gates Foundation</li> </ul> <p>Major Federal Grants</p> <ul style="list-style-type: none"> <li>• Teacher Incentive Fund</li> </ul>
<b>Schools</b>	<p>2015 – 29 schools (27 in Memphis)</p> <ul style="list-style-type: none"> <li>• 5 direct run</li> <li>• 24 converted to charter</li> </ul>	<p>2015 – 15 schools (all in Detroit)</p> <ul style="list-style-type: none"> <li>• 12 direct run</li> <li>• 3 converted to charter</li> </ul>

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