



Charter Schools Institute
The State University of New York

Summary of Findings and Recommendations

*Application to establish the
Icahn Charter School 5*

September 11, 2009

Executive Summary

The application to establish the Icahn Charter School 5 (the “School”) was submitted to the Charter Schools Institute (the “Institute”) by co-applicants Gail Golden and Julie Goodyear on May 4, 2009. The School proposes to open in the Bronx in September of 2010 with 108 students in Kindergarten through second grades and grow to serve 252 students in Kindergarten through sixth grades during the term of its charter. The School would use the 2009-10 school year as a planning year. The mission of the School is “to prepare boys and girls for high school and college success while attending to the unique developmental needs of middle school students” through a rigorous academic program offered in extended day and year settings. The program will be designed to graduate students who are armed with the skills and knowledge to participate successfully in the most rigorous academic environments and have a sense of personal and community responsibility. Ultimately, the founding team envisions a rigorous school program based on Core Knowledge, providing students with the skills for future academic success, and instilling in them a sense of personal and community responsibility.

The Board of Trustees of the State University of New York (the “State University Trustees”) have chartered four other successful Carl C. Icahn charter schools. As has been the case with the other schools, Icahn Charter School 5 seeks a waiver of the State University Trustees’ normal charter prohibition on having more than 40 percent of the school trustees affiliated with any single entity other than another charter school, in this case, the School’s partner organization, the Foundation for a Greater Opportunity, LLC.

The Charter Schools Institute recommends that the State University Trustees approve the charter application for Icahn Charter School 5. In addition, given that this same board has successfully operated with a waiver from the 40 percent rule before and the extensive knowledge and experience on the board, the Institute also recommends that the Board of Trustees grant the waiver.

Background and Description

The application to establish the Icahn Charter School 5 was submitted to the Institute on May 4, 2009. The Institute conducted a rigorous review, including an extensive staff review as well as review by a panel of nationally renowned experts in fields such as education (charter and traditional schools), school administration, charter and traditional school policy, finance, and/or curriculum. Pursuant to its review protocols, the Institute has met with the founding board, and the other members of the founding team. The Institute has required the applicant to revise, clarify and otherwise amend the applications in various respects. Lastly, member(s) of the State University Trustees’ Charter Schools Committee have had an opportunity to interview the lead applicants and proposed board of trustees

Icahn Charter School 5 would open with 108 students in Kindergarten through second grades and grow to include 252 students in Kindergarten through sixth grades during the term of its charter. The founding team envisions a rigorous school program based on Core Knowledge. Students will graduate armed with the skills and knowledge necessary to participate successfully in the most rigorous academic environments and will have a sense of personal and community responsibility.

To achieve its mission, the design of the educational program of the School is based on the success of the existing Icahn Charter Schools located in the Bronx. The primary design elements include: 1) small class sizes (18 students per class); 2) extended day (9 hours of instruction including eight hours of English language arts per week, 7.5 hours per week of mathematics and 3 hours per week of science); 3) extended year (188 days); 4) individual attention; 5) a Targeted Assistance Program to provide remediation to students in the areas of mathematics and literacy; 6) Saturday Academies for remedial work and state test preparation; 7) regular professional development; 8) monthly standardized assessment; 9) curriculum implemented using McGraw-Hill for ELA, mathematics and science, and Waterford Early Reading Lab; and 10) a nurturing environment.

The curriculum for the School is based on E. D. Hirsch's Core Knowledge. The application includes references to the pertinent research to support the use of this curriculum with at-risk students. The principal of the original Icahn Charter School, who is now superintendent of all of the Icahn Charter Schools (four currently approved and operating), has extensive experience training teachers in the implementation of Core Knowledge and will be involved in training the teachers of the new school on this curriculum. In addition, the principal of Icahn Charter School 3 is also an experienced Core Knowledge professional development trainer, and her expertise will also be used to ensure that sufficient professional development is provided to Icahn instructional staff. Likewise, core leaders within the Icahn schools (including its superintendent, principal, business manager and staff developer) will provide training for new staff prior to the opening of Icahn Charter School 5.

The academic model proposed for Icahn Charter School 5, which is in use in the original Icahn Charter School as well as schools 2, 3 and 4, has resulted in high academic achievement. On the most recent administration of the State's English language arts (ELA) assessment, Icahn Charter Schools far outscored their counterparts in surrounding district-run schools.

Indeed in the previous school year, 2008-09, 94% of students in 3rd through 8th grades at the original Icahn Charter School scored at Levels 3 & 4 on the state standardized assessment in English language arts (as compared to 52.2% in the local district). In its first year of participation in the state's testing program, 100% of the third grade students at the Icahn Charter School 2 scored at Levels 3 & 4 on the ELA assessment (as compared with 66.5% in the local district). On the 2007-08 state mathematics assessment, 97.6% of the 3rd through 8th grade students at the original Icahn Charter School scored at Levels 3 & 4 (as compared with 61.4% in the local district).

Icahn Charter School 5 would be provided support and services through its relationship with the Foundation for a Greater Opportunity (the "Foundation"), which will postpone payment of the annual lease costs and start-up costs until the last year of the school's charter and will advance start-up costs. "The Foundation's board is interested in student achievement. If a school must use a disproportionate share of its initial revenue to pay rent and stay in the black, staff and student achievement will necessarily be limited. This arrangement frees up the school staff to focus on education." The advances from the Foundation will be generated by revenue from investments of the Foundation.

A subsidiary of the Foundation, Greater Opportunity, L.L.C., was created to oversee the building of schools for the Carl C. Icahn Charter Schools. For the first Icahn school, the Foundation paid to build the K-4 building and the school now leases it at below fair market value. For the middle school, the Foundation pays 20% of the building cost and the New York City Department of Education (NYCDOE) pays 80%. The NYCDOE will own the building, while the Foundation will have a 30-year lease for \$1.00 per year. Icahn Charter School 2 (opened in Fall 2007) collaborated with Civic Builders whereby Icahn Charter School 2 contributes 2% of the building cost and will

have a 15-year lease. The President of the Foundation has provided a letter indicating the Foundation's commitment to continue sponsoring the Icahn schools.

The applicants have utilized the same individuals that serve as the core of the other Icahn charter school boards, whose backgrounds and expertise reflect a variety of talents and skills, to serve on the board of trustees of the proposed School. Based on conversations with the proposed trustees, they clearly understand the roles and responsibilities of a board of trustees and have the ability to ensure the appropriate and effective operation of the proposed charter school. They also understand the potential for conflicts of interest inherent in the "one board" design and understand the duty of loyalty each member has to each school board. The proposed initial members of the board of trustees are set forth below.

1. *Julie C. Goodyear* (co-applicant)– Executive Director of the Foundation for a Greater Opportunity and the Icahn Scholars Program; former Associate Director of Admissions at Choate Rosemary Hall, an independent school in Wallingford, Connecticut.
2. *Gail Golden* (co-applicant) –Vice Chair of Lowestfare.com, L.L.C. (formerly president); CEO and President of Global Travel Marketing; Director and Secretary of the Foundation for a Greater Opportunity; and Vice President of Administration of Icahn Associates, Corp.
3. *Carl C. Icahn* – Chief Executive Officer at Icahn Management LP (a privately owned hedge fund sponsor), Chairman and President at Icahn Associates Corp., Chair and a Director of American Railcar Industries, Inc; Chair, Board of American Property Investors, Inc.; Chair and a Director of XO Communications, Inc.; and a Director of Blockbuster, Inc.
4. *Seymour Fliegel* – President, CEI-PEA; former teacher and principal; former Superintendent of CSD 28 in Queens; and member of the board of the Foundation for a Greater Opportunity.
5. *Karen Mandelbaum* – Board member of the Women's Division of the Albert Einstein Medical School; committee member of the Friends of Israel Museum.
6. *Robert Sancho* – Vice President of Development and External Affairs at Bronx-Lebanon Hospital Center in the Bronx; former Spanish teacher at JHS 98 and Deputy Superintendent for CSD 4.
7. *Edward J. Shanahan* – President/Headmaster of Choate Rosemary Hall; President of the Board of the Foundation for a Greater Opportunity; formerly Dean of the College at Dartmouth College and Dean of Students at Wesleyan University.
8. One seat will be held for an officer from the School's Parent Teacher Association.

Given the make-up of the proposed School board, the applicants have requested a waiver from the usual charter agreement provision that restricts school board affiliation with any other single entity to 40%. While this is not part of the Charter Schools Act, the State University Trustees have seen it as an important step in combating conflicts of interest and promoting open governance. Given that the individuals listed above have successfully operated as a charter school board with a waiver from the 40 percent rule, and have extensive knowledge and experience on the proposed board, the Institute recommends that the waiver be granted.

The applicants and founding team have requested temporary housing for the Icahn Charter School 5 through the New York City Department of Education (NYCDOE). Ultimately, the applicants are looking to purchase a building that will be sufficient to house three Icahn schools – 3, 4 and, if approved, 5. The building under consideration would be a renovated private space. Zoning, environmental and architectural issues are currently being investigated in order to determine the viability of the site.

The fiscal impact of the Icahn Charter School 5 on its district of residence, the New York City School District, will be negligible and is summarized below.

Number of Students	Per Pupil Aid	Total Dollars to Charter School from NYCDOE	Total Budget for NYCDOE (in billions)	% of Total Budget
108 (2010-11 School Year- year 1)	\$12,443	\$1,372,736	17.3	0.008%
252 (2014-15 School Year - year 5)	\$14,557	\$3,718,950	19.9	0.019%

The calculations conservatively assume that there will be a modest (4%) increase in per pupil aid over the life of the proposed charter starting in 2011-2012, with 2010-2011 remaining flat in relation to 2009-2010. The Institute’s calculations do not account for federal Title I funds or any federal or state grants that may be provided by the district and received by the School. However, each school has provided budget calculations accounting for federal Title I funds, grant revenue, or other funds provided by the district and to be received by the School in its application.

The applicant made an assessment that the fiscal impact of the proposed school on nonpublic schools in the same geographic area would be negligible.

The Institute has notified the New York City Department of Education as well as public and private schools in the geographic area of the proposed school and has received no comment from these entities. (Copies of the notification letters are on file in the Albany office of the Institute).

The applicants used the waiting lists of the other Icahn schools at the time of submission of the application to demonstrate the community support and interest in the establishment of the Icahn Charter School 5. At the time of submission, the wait lists of the three then operating Icahn schools included 1,411 names. Specifically, the wait list of the original Carl C. Icahn Charter School included the names of over 920 children, along with that of the second school which contained 254 names, and the third school with 237 names.

Findings

Based on the comprehensive review of the application, discussion with national experts and interviews of the applicants and the proposed board of trustees, the Institute makes the following findings.

1. The charter school described in the application meets the requirements of Article 56 of the Education Law (as amended) and other applicable laws, rules, and regulations as reflected in (among other things):
 - the inclusion of appropriate policies and procedures for the provision of services and programs for students with disabilities and English language learners;
 - the required policies for addressing the issues related to student discipline, complaints, personnel matters, health services, Freedom of Information Law (FOIL), and the Open Meetings Law;
 - the inclusion of the proposed by-laws for the operation of the school's board of trustees; and
 - the inclusion of an analysis of the projected fiscal and programmatic impact on surrounding public and private schools.
2. The applicants have demonstrated the ability to operate the school in an educationally and fiscally sound manner as reflected in (among other things):
 - the provision of an educational program that meets or exceeds the State performance standards;
 - the use of a model that has proven highly successful at the current Icahn Charter School 1, also located in the Bronx;
 - the articulation of a culture of self-evaluation and accountability at both the administrative and board level;
 - the student achievement goals articulated by the applicants;
 - an appropriate roster of educational personnel;
 - a sound mission statement;
 - a comprehensive assessment plan;
 - the provision of sound start-up, first-year, and five-year budget plans;
 - a plan to acquire comprehensive general liability insurance to include any vehicles, employees, and property;
 - evidence of adequate community support for, and interest in, the charter school sufficient to allow the school to reach its anticipated enrollment; and

- the inclusion of descriptions for programmatic and independent fiscal audits, with fiscal audits occurring at least annually.
3. Granting the application is likely to improve student learning and achievement and materially further the purposes of the Charter Schools Act (as amended). This finding is reflected by (among other things):
- the inclusion of a curriculum crosswalk document that specifies how the proposed curriculum will ensure that students will meet or exceed the performance standards of the Board of Regents;
 - a comprehensive plan to assess student achievement through the use of State tests, externally-verifiable standardized tests and other diagnostic assessments;
 - the staffing of classes with high-quality teachers to allow for more concentrated and focused instruction;
 - the inclusion of significant opportunities for professional development of the school's instructional staff throughout the year;
 - extended daily blocks of time scheduled for literacy and numeracy;
 - the variety of structures in place to provide in depth support for students most at-risk of academic failure; and
 - a commitment to providing an educational program focused on outcomes, not inputs.

Conclusion and Recommendations

Based on its review and findings, the Charter Schools Institute recommends that the Board of Trustees of the State University of New York approve the application for the Icahn Charter School 5 to open in the Bronx in September of 2010 and approve the application for a waiver from the 40 percent restriction.

Icahn Charter School 5

Basic Identification Information

Lead Applicant:	Julie C. Goodyear and Gail Golden
Management Co.:	None
Other Partners:	Foundation for a Greater Opportunity, LLC
Location (District):	Bronx (District 9)
Student Pop./Grades:	108 K-2 nd grade students; expanding to 252 students grades K – 6
Opening Date:	September 2010

School District of Proposed Location Profile

New York City School District 9			
Enrollment (2007-08):		34,924	
Percent (2007-08):			
White:		1%	
African-American:		34%	
Hispanic:		63%	
Asian, Other:		2%	
Percent Participating in Federal Lunch Program (2007-08):			
		87%	
Percent Proficient on State Exams (2008-09)			
English Language Arts		Mathematics	
Grade	Percent Proficient	Grade	Percent Proficient
3	52.5	3	86.5
4	56.2	4	77.1
5	55.9	5	72.4
6	56.0	6	65.3
7	53.7	7	68.6
8	39.3	8	62.5

Source: demographic data is from the New York State Accountability and Overview Report 2007-08; test data are from the 2008-09 results released on the State Education Department website.