



Charter Schools Institute
The State University of New York

Summary of Findings and Recommendations

*Application to establish the
Carl C. Icahn Charter School Nine*

August 29, 2008

Executive Summary

The application to establish the Carl C. Icahn Charter School Nine (the “School”) was originally submitted by the co-applicants, Julie Goodyear and Gail Golden, on June 29, 2007. However, after discussion with Charter Schools Institute (the “Institute”) staff and members of the Trustees’ Charter Schools Committee, the applicants decided to continue to refine the application prior to its re-consideration. The application was re-submitted for consideration on June 2, 2008. Carl C. Icahn Charter School Nine would open in September 2009 with 108 Kindergarten, first and second grade students in its first year, growing to serve 252 students in Kindergarten through sixth grades during the term of its charter.

The mission of the proposed charter school is to provide students with a rigorous academic program offered in extended day and year settings. The program is designed to graduate students who will be armed with the skills and knowledge to participate successfully in the most rigorous academic environments and will have a sense of personal and community responsibility. Ultimately, the founding team envisions a rigorous Kindergarten through eighth grade school program based on the Core Knowledge curriculum, providing students with the skills for future academic success and instilling in them a sense of personal and community responsibility. The proposed board of trustees of Icahn Nine currently operates three SUNY authorized charter schools.

The Institute recommends that the Board of Trustees approve the charter application for the Carl C. Icahn Charter School Nine.

Background and Description

The Institute conducted a rigorous review of the application, including an extensive staff review as well as a 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. The application has also been subject to a fiscal soundness review conducted by independent school finance experts. 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 applicants to revise, clarify and otherwise amend the application in various respects. Lastly, member(s) of the Board of Trustees’ Charter Schools Committee have had an opportunity to interview the lead applicants and proposed board of trustees.

The School would open with 108 students in Kindergarten through second grades. The School would grow to include 252 students in Kindergarten through sixth grades during the term of its first charter and, if renewed, through the eighth grade by the end of its second charter. As indicated above, 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.

To achieve its mission, the design of the educational program of the School is based on the success of the existing Carl C. Icahn Charter School located in the Bronx. The primary design elements include: 1) small school with small class sizes (252 students maximum with 18 students per class); 2) extended day (including eight hours of English language arts per week, 7.5 hours per week of mathematics and three hours per week of science); 3) extended year (188 days); 4) individual attention; 5) a Targeted Assistance Program to provide students with mathematics and literacy

remediation; 6) Saturday Academies for remedial work and state test preparation; 7) regular professional development; 8) monthly standardized assessments; 9) curriculum material in English language arts, mathematics and science from McGraw-Hill 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 that supports the use of this curriculum with at-risk students. The principal of the original Icahn school, who has extensive experience training teachers in the implementation of Core Knowledge, would be involved in training the principal and teachers of the new school on this curriculum. Likewise, the business managers of the proposed schools would receive training from the original Icahn Charter School staff.

The academic model proposed for the School, which is in use in the current Carl C. Icahn Charter School and the Carl C. Icahn Charter School Bronx North (and will be in use shortly at Carl C. Icahn Charter School South Bronx), has resulted in high achievement. On the most recent administration of state assessments (2007-08), 85 percent of students in the original Icahn school scored at Levels 3 & 4 in English Language Arts (as compared to 38.5 percent in the local district), and 97.6 percent scored at Levels 3 & 4 in mathematics (as compared to 61.6 percent in the local district). Notably, 100 percent of the students in 3rd and 6th grades achieved Levels 3 & 4 on the state mathematics assessment.

The applicants and proposed trustees have adapted the organizational structure to provide support for the school's principal and staff by personnel from the original Carl C. Icahn Charter School. In particular, the original Icahn Charter School's principal and assistant principal for operations would train the principals and business managers of Nine and any future Icahn schools. The Carl C. Icahn Charter School Nine principal would serve as the school leader and report directly to the School's board of trustees. The School principal would implement the mission and the policies set by the School's board of trustees, hire and supervise all school-based staff, and observe, evaluate, and provide professional development to teachers as the instructional leader of the School. Some professional development would also be conducted jointly with other Icahn schools.

The School would also receive support and services from the Foundation for a Greater Opportunity. The Foundation would advance start-up funding for the school, postponing any required re-payment of the annual lease costs and other start-up costs until the last years of the charter. The application specifically states that "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 Foundation's funding advances would be generated by revenue from its own investments.

The Foundation for a Greater Opportunity would also provide support to the School through its relationship with the Icahn Associates. Icahn Associates provides: legal representation at board meetings and for tax consultation; access to external *pro bono* education and labor law services; guidance from its Chief Financial Officer for the school's treasurer on accounting and financial operations; insurance expertise; access to bulk rates for supplies through Icahn Sourcing and other of Icahn Associates' vendors; as well as real estate expertise. These resources allow the School's staff to maintain their focus on education and the academic achievement of students.

A subsidiary of the Foundation for a Greater Opportunity, Greater Opportunity, L.L.C., was created to oversee the building of the Carl C. Icahn Charter Schools. For the first Icahn school, the Foundation paid to build the K-4 building and the school leases it at below fair market value. For its middle school building, the Foundation pays 20 percent of the cost and the New York City Department of Education (NYCDOE) is paying 80 percent. The NYCDOE will own the building, while the Foundation will have a 30-year lease for \$1.00 per year. For Icahn Bronx North (which opened in the fall of 2007 and is currently housed in NYCDOE shared space), the Foundation will collaborate with Civic Builders. Bronx North will contribute 2 percent of the building cost and will have a 15-year lease. The President of the Foundation for Greater Opportunity provided a letter indicating the Foundation's commitment to continuing to sponsor the Icahn schools.

The Foundation for a Greater Opportunity is in the process of looking into facility models. Through the Foundation, Icahn Associates' real estate professionals are looking for facilities to house the proposed School in the South Bronx area. Ultimately, the founding group would like to house this school with another Icahn school in one building with each school having a separate entrance and dedicated space and offices. The schools would share common areas, such as a library, auditorium and gymnasium. This arrangement would honor the true underpinning of the success of the original Icahn school's academic program – maintaining a small school.

The application includes 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. Based on conversations with the proposed trustees, they clearly understand the board's roles and responsibilities in order 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 each member has to represent the interests of each school. 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.
9. Tina March (non-voting treasurer) – CFO for Icahn Management Co.

As more than 40 percent of the proposed School board would be affiliated with the Foundation for a Greater Opportunity, the School has requested a waiver of the Board of Trustees’ usual charter restriction regarding such outside affiliation. Given that this same board has successfully operated with such a waiver before, and given the extensive knowledge and experience on the board, the Institute recommends that the Board of Trustees grant the waiver.

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

Number of Students	Per Pupil Aid (including special education and federal entitlement grants)	Total Dollars to Charter School from NYCDOE	Total Budget for NYCDOE (in billions)	% of Total Budget
108 (2009-10 School Year- year 1)	\$12,816.29	\$1,384,159	\$17,440,586,240	0.01%
252 (2013-14 School Year – year 5)	\$14,424.85	\$3,635,062	\$19,629,533,465	0.02%

Using the figures above for total funds to be transferred from the New York City School District to the proposed charter school, the year one figure of \$1,384,159 represents 0.01% of an estimated budget of \$17.4 billion for the New York City Schools. In year five, the figure above represents 0.02% of the estimated budget. The calculations conservatively assume that there will be no increase in per pupil aid or the overall budget of the New York City School District over the life of the proposed charter. The Institute’s calculations do not account for special education, federal Title I funds or other grants or funds provided by the district and to be received by the School. 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 same geographic area of the proposed school and as of August 29, 2008 received no comment from these entities. (Copies of the notification letters are on file in the Albany office of the Institute).

The applicant used the waiting list of the original Carl C. Icahn Charter School that contained the names of over 735 children, along with that of the Bronx North school which contained 175 names, as evidence of community support and interest if the School were to ultimately be located in the Bronx.

Findings

Based on the comprehensive review of the application, discussion with national experts and interviews of the applicant 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 applicant has demonstrated the ability to operate the school in an educationally and fiscally sound matter 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 Carl C. Icahn Charter School, 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 applicant;
 - 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 approve 1) the applicant’s request for a waiver of the Board’s “40 percent rule” so that more than 40 percent of the proposed school board may be affiliated with the Foundation for a Greater Opportunity, and 2) the application for the Carl C. Icahn Charter School Nine to open in the Bronx in September of 2009.

Carl C. Icahn Charter School Nine

Bronx or Far Rockaway, New York

Basic Identification Information

Lead Applicant(s): 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-2nd grade students; expanding to 252
 students grades K-6
 Opening Date: September 2009

School District of Proposed Location Profile

New York City School District 9			
Enrollment (2006-07):		33566	
Percent (2006-07):			
American Indian or Alaska Native		0	
Black or African American:		34	
Hispanic or Latino:		63	
Asian or Native Hawaiian/Other Pacific Islander:		2	
White:		1	
Percent Participating in Federal Lunch Program (2006-07):		87	
Percent Proficient on State Exams (2007-08)			
English Language Arts		Mathematics	
Grade	Percent Proficient	Grade	Percent Proficient
3	40.9	3	80.9
4	42.5	4	68.4
5	48.4	5	64.5
6	32.4	6	55.8
7	44.1	7	55.5
8	22.6	8	45.0

Source: demographic data is from the New York State Accountability and Overview Report 2006-07; test data are from the 2007-08 results released on the State Education Department website.