



# KIPP Foundation



**Transition Team Meeting**  
**November 24, 2008**  
**Washington, D.C.**



Sense of Purpose

Results

Constant Learning & Humility

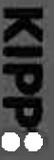
Respect

Diversity & Inclusivity

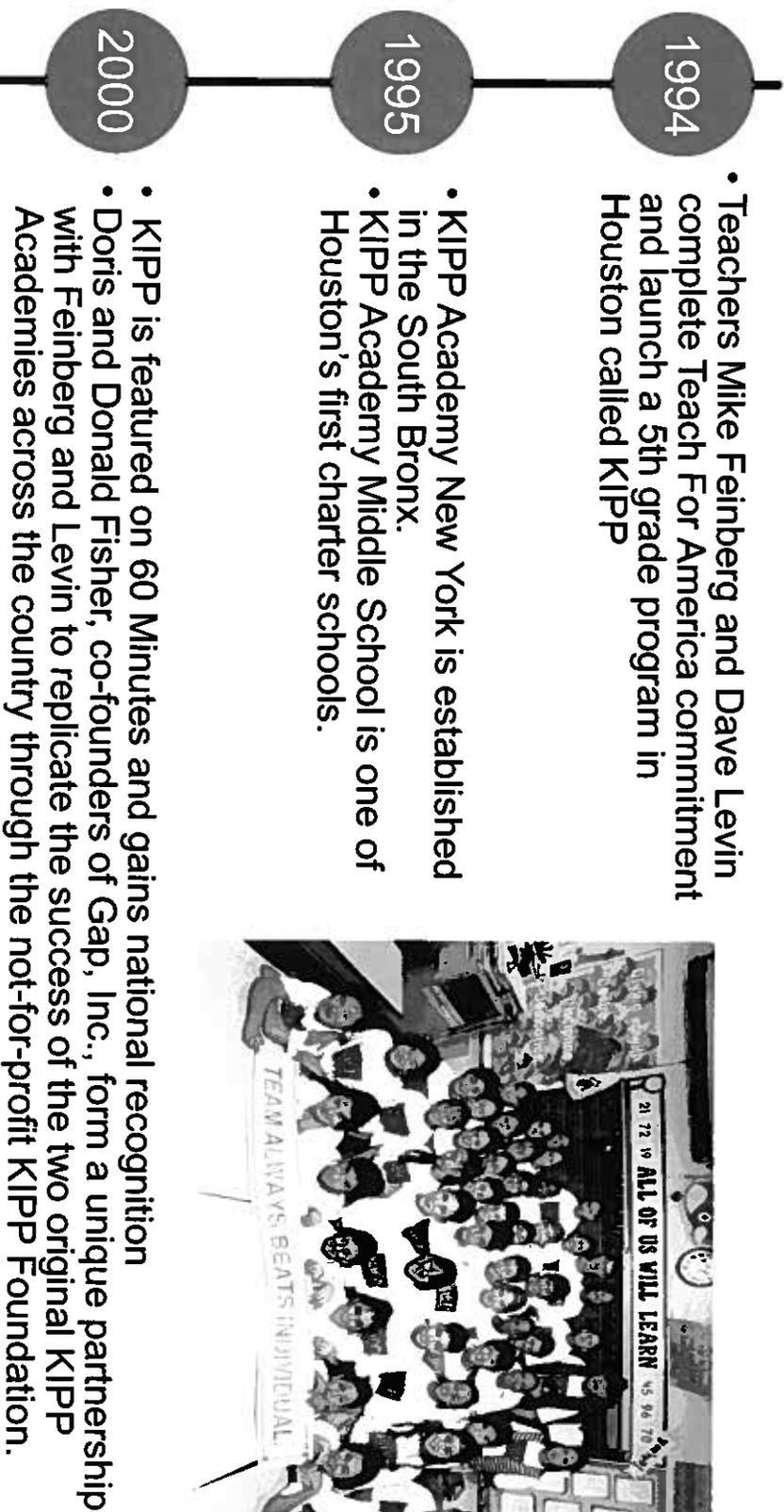


# Content

- **Quick Background on KIPP**
- **President-elect Obama's Commitment:**
  - **A View from the KIPP Network**
  - **A Small Number of Big Recommendations**

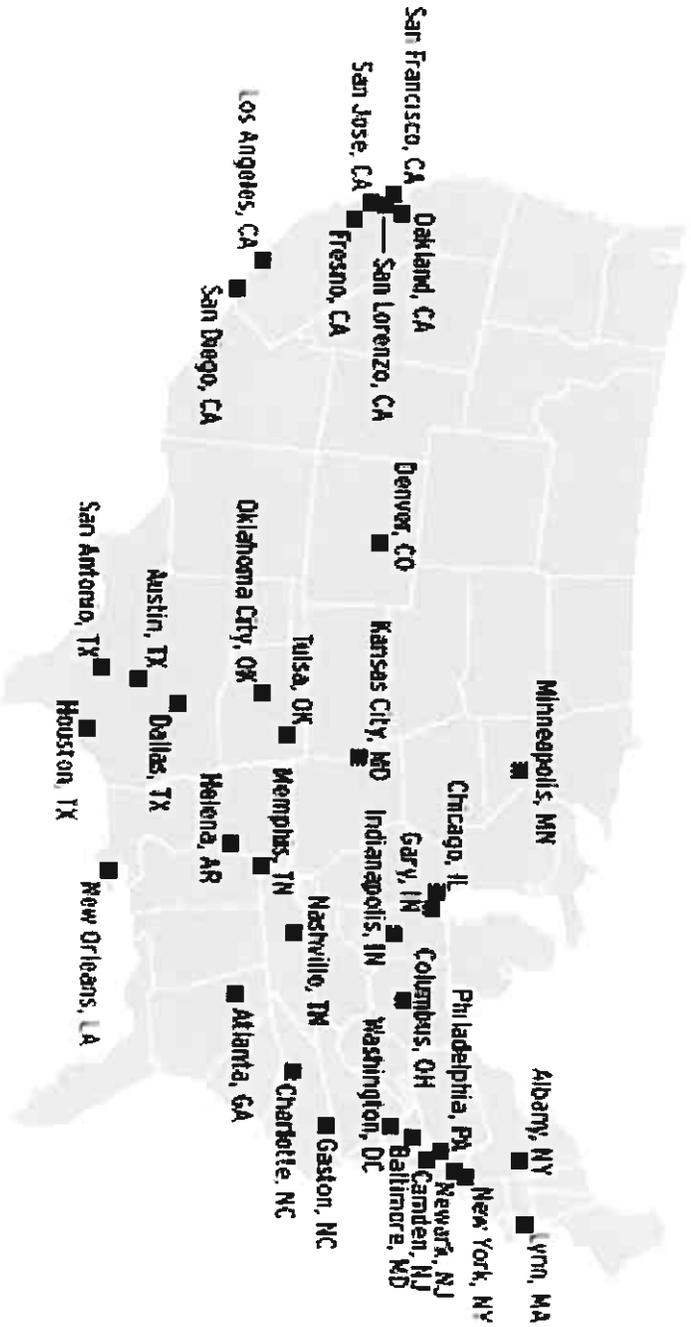


# ● KIPP (Knowledge is Power Program) was founded nearly 15 years ago by two TFA alumni





● Today, KIPP's footprint spans from coast to coast, serving nearly 17,000 children in 66 schools



*With schools in almost every major area of the country, KIPP has the most expansive national footprint of college-preparatory public schools in the U.S.*





● KIPP schools are defined by the Five Pillars, a set of operating principles shared by all KIPP schools

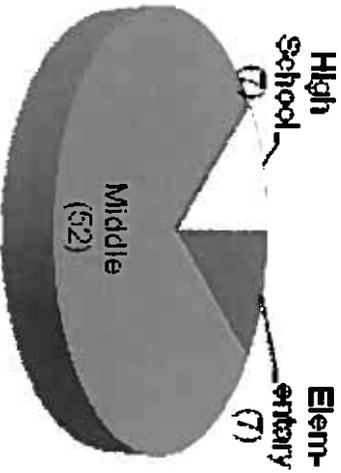
1. Giving students **more time** in school learning
2. Providing students with **high expectations** for achievement
3. Understanding that attending KIPP is a **choice** and requires a **fundamental commitment**
4. Giving educators the **power to lead** and the freedom to **innovate**
5. **Focusing on results** to monitor and sustain high levels of **achievement**





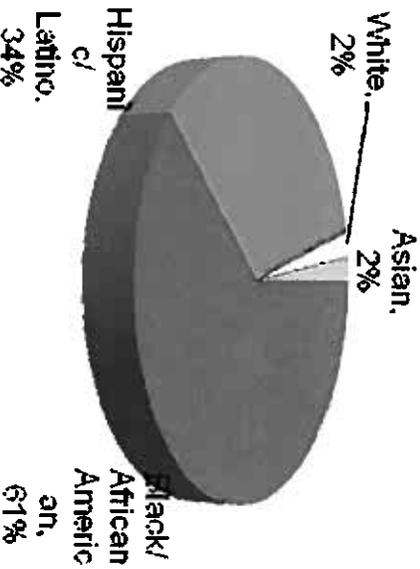
# • The majority of KIPP schools are middle schools and the majority of KIPP students are African American or Latino

### KIPP Schools by type\* Percent (Number)



- 38 schools are at full-scale serving all grades within their school type (i.e., middle, elementary, high)
- Of the 66 schools, 65 are charter schools

### KIPP Students\*\* Percent



- 81% of students are eligible for free and reduced lunch



\*September 2008

\*\*December 2007

Source: Network Growth, Research and Evaluation

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# ● KIPP plans to increase our impact on children and communities by opening KIPP elementary schools

By growing our network of elementary schools, we can:

- Make a positive impact on student achievement at the earliest stage possible—**maximizing potential** and reducing limitations exacerbated by a 5<sup>th</sup> grade start
- Implement the KIPP approach of a **nurturing environment** and **more time** in school as early as pre-K
- Develop the **foundation of learning** for these children—which will set the course for their entire school careers

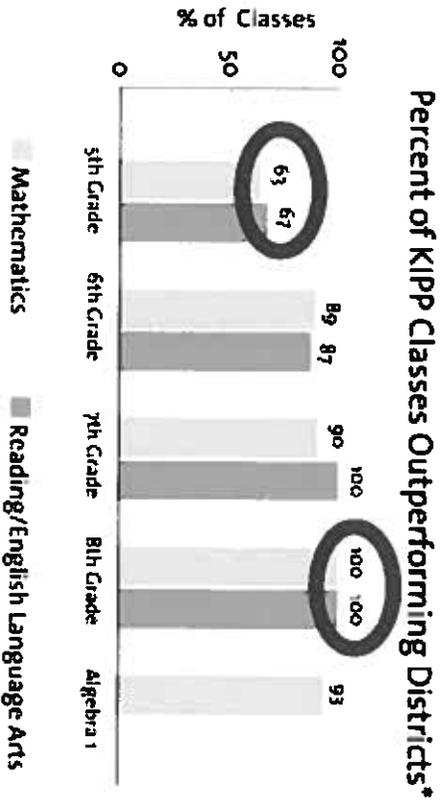


*These children will never have to face the achievement gap*





# KIPP students have achieved exceptional results on state tests



\* Test are administered at the end of the end of each school year and therefore do not represent entering scores

- 67% of KIPP fifth grade classes outperformed their local districts in reading/English language arts at the end of their first year at KIPP
- 63% of fifth grade classes outperformed their districts in mathematics at the end of their first year at KIPP
- After four years at KIPP, 100% of KIPP eighth grade classes outperformed their district averages in both mathematics and reading/English language arts



Note: 2006-2007 school year results  
Source: Research & Evaluation

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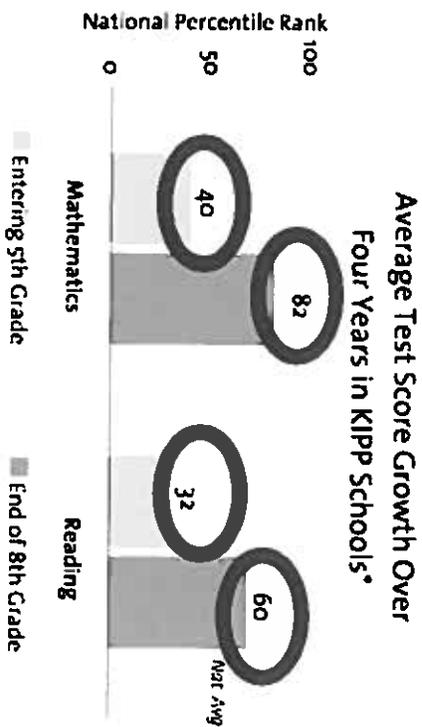
Diversity & Inclusivity



- On average, students who spend four years at KIPP
- improve four deciles in math and three deciles in reading

Growth:

- Average KIPP student starts fifth grade at the 40<sup>th</sup> percentile in math and the 32<sup>nd</sup> percentile in reading
- After four years in KIPP, these same students are performing at the 82<sup>nd</sup> percentile in math and the 60<sup>th</sup> percentile in reading



KIPP students have earned more than \$30 million in scholarships to college-prep high schools since 2000.

Nearly 95 percent of KIPP students matriculated to college-prep high schools in 2007

While 1 in 5 low-income students makes it to college, KIPP's national college matriculation rate stands at 80%.



Note: 2006-2007 school year results  
Source: Research & Evaluation

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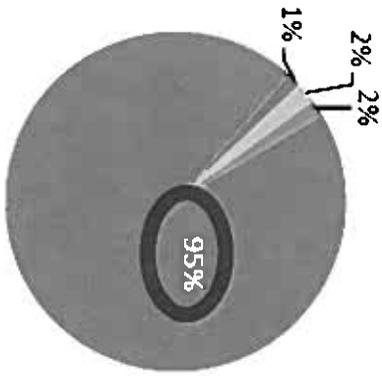
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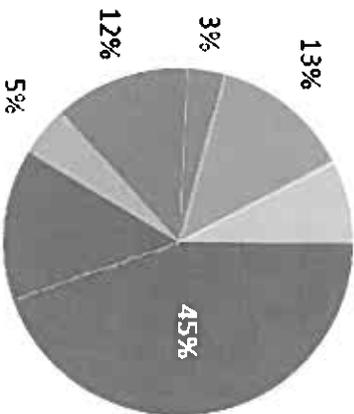
- 95% of the class of 2008 is advancing to high school and nearly all to college prep schools

### HIGH SCHOOL PROMOTION STATUS



- Advancing to high school
- HS promotion status is still pending
- Repeating 8th grade
- Status unknown

### HIGH SCHOOL ATTENDANCE BY TYPE



- Charter Public School
- National/Boarding School
- Independent Day School
- Other
- Magnet Public School
- Private or Parochial Day School
- Traditional Public School

Number of students in class of 2012: **1,764**  
 Percent of students advancing to HS: **95%**  
 Percent of students reporting attending a college prep high school: **90%**  
 Year 1 need based aid offered and accepted: **\$3,913,028**  
 Year 1 merit based aid offered and accepted: **\$68,000**



Note: 2006-2007 school year results  
Source: Research & Evaluation

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● Many KIPP schools are the top school for middle school students in the communities they serve

- Atlanta #1 and #2
- Austin #1
- Baltimore #1
- Nashville #1
- New Orleans #1 and #2
- New York City #1
- Washington, D.C. #1





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- **President—elect Obama’s Commitment**
- A View from the KIPP Network
- A Small Number of Big Recommendations





President-elect Obama has pledged to:

Reform No Child Left Behind

Invest in early childhood education

Make college affordable to all Americans



Source: <http://www.barackobama.com/issues/education/#k-12>

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- **With respect to charters, President-elect Obama pledged to “support high-quality schools and close low-performing charter schools”**
- **The President-elect committed to double funding for the Federal Charter School Program to support the creation of more successful charter schools.**
- **The President-elect committed to expand charter school funding only to states that improve accountability for charter schools, allow for interventions in struggling charter schools and have a clear process for closing down chronically underperforming charter schools.**
- **And, President-elect Obama made it clear that he would prioritize supporting states that help the most successful charter schools to expand to serve more students**



Source: <http://www.barackobama.com/issues/education/#k-12>

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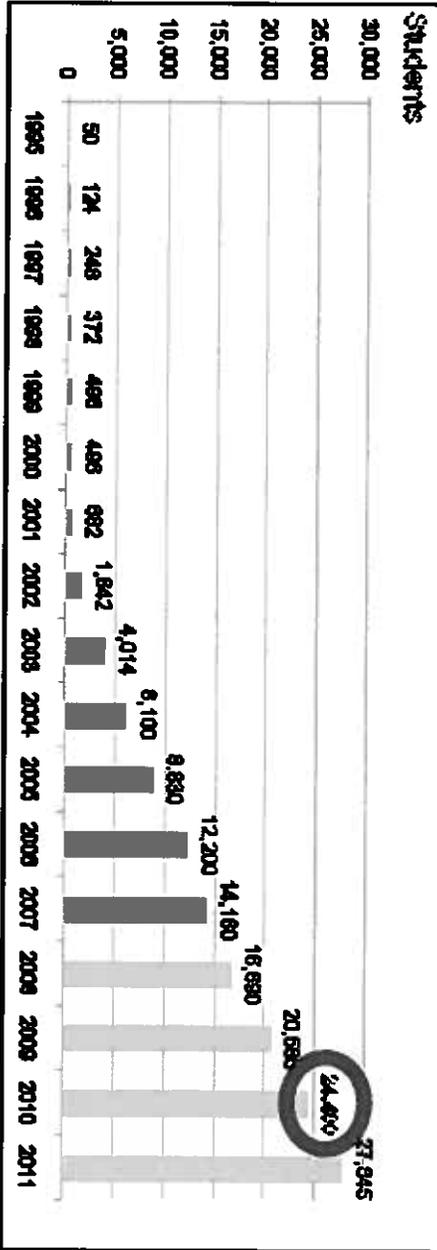
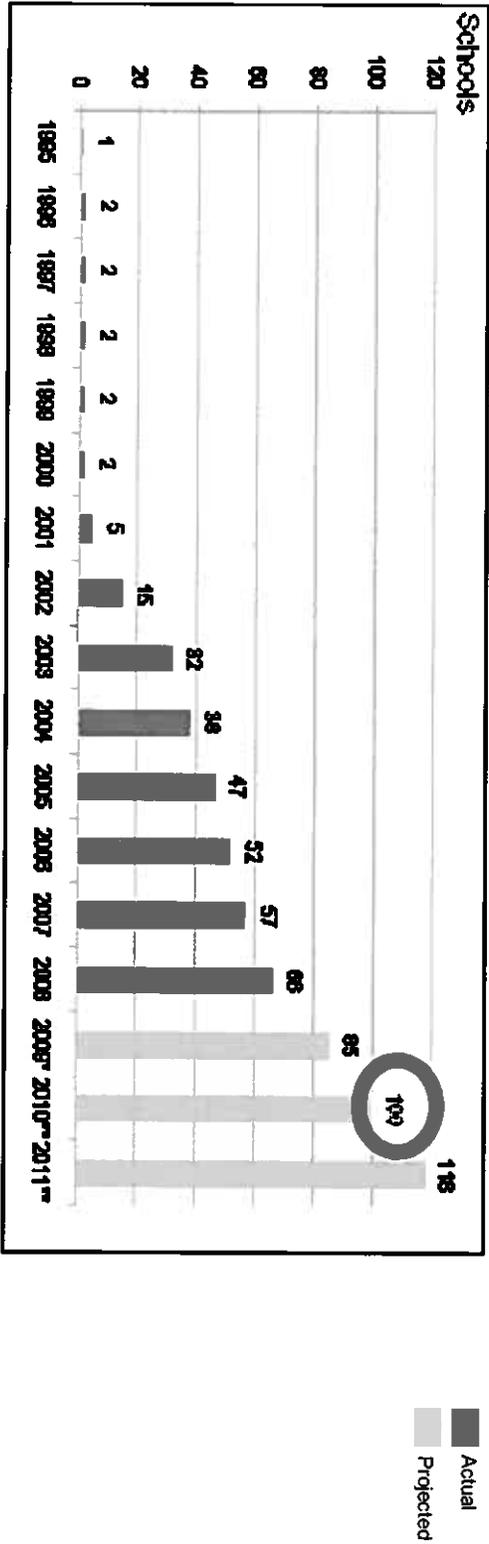
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# ● KIPP expects to open our 100<sup>th</sup> school in 2010 by which time we will serve nearly 25,000 students



**KIPP** ● ● \* The 2009 projection reflects Fisher Fellows already trained or currently being trained to open new schools  
 ● ● \*\* Projections beyond 2009 are based on estimated yield on letters of request for school openings  
 Source: Network Growth Results Constant Learning & Humility Respect Diversity & Inclusivity



- For the last few years, we have focused our growth in two areas
  - In cities and regions where KIPP already exists
  - In a select few new areas where localities can meet certain demographic, academic and financial metrics that KIPP Foundation has determined are critical for KIPP school success



# ●● KIPP is a growing and significant force in the communities we serve

Region	2007	2008	2009	Plan*	Region	2007	2008	2009	Plan*
Atlanta	2	2	3	6	Minneapolis/ St. Paul	0	1	1	5
Austin	1	2	3	10	Newark	3	3	4	10
Baltimore	1	1	2	10	New Orleans	3	5	5	TBD
Bay Area	6	7	7	7	New York City	4	4	7	12
Chicago	1	1	1	TBD	North Carolina	3	3	3	TBD
Columbus	0	1	1	5	Philadelphia	1	1	2	10
Denver	1	1	2	TBD	San Antonio	1	1	2	10
Helena	2	2	3	12	St. Louis	0	0	1	5
Houston	9	11	16	42	Washington, D.C.	4	4	6	9
Los Angeles	2	3	3	14					

\* Timeframe varies by region



Source: Network Growth

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● Two of the greatest challenges to our growth are:

Access to facilities

Start up costs



- The open market is often the only option for KIPP schools to acquire real estate
- Millions are spent on facilities instead of direct education for kids
- To date, KIPP schools have spent over \$100M on real estate development (i.e., renovation, purchase, construction)
  - District renovations: ~\$30M (D.C., Atlanta, Denver)
  - Market development: ~\$93M (Houston, D.C., Newark, Atlanta, Helena, Los Angeles, San Antonio, North Carolina)



CASE EXAMPLES

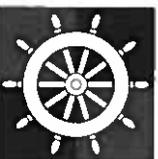
● When district space is unavailable, it is more often due to local politics than to overcrowding

Annapolis, MD

Gary, IN

Newark, NJ

**KIPP:**



HARBOR ACADEMY

- Closed after an exhaustive three year search including exploration of over 25 options for expansion space needed for full scale 5<sup>th</sup>-8<sup>th</sup> middle school

- District denied request for one year of paid access to ~260 of the district's 1500 unused seats citing need for future expansion



**KIPP:LEAD**  
COLLEGE PREP CHARTER SCHOOL

- District had 11 buildings on the market (some for ~ 10 years)

- KIPP's offer to buy one at list price (\$367K) was rejected
- The school ended up on an old archdiocese site where it will have to pay an additional \$400K for modulars to house 8<sup>th</sup> graders
- The search for a permanent facility continues



- Former superintendent claimed there was no space available, but made it available when financially expedient

- Newark is densely populated and much land is contaminated making development costly
- Team Schools will be forced to raise \$40M over next 10 years for 8 new schools (excess facilities)



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- **Lack of access to affordable space hinders growth**
- **The burden of facilities debt renders schools/regions over-leveraged and unable to continue financing real estate development**
- **Local philanthropic community is tapped out in providing grants for bricks and mortar vs. direct education**



# • KIPP Foundation provides support to KIPP schools through USDOE credit enhancement

**Backed by USDOE credit enhancement program grant to KIPP Foundation**

- Direct credit enhancement to guaranty 3<sup>rd</sup> party loans and leases (up to \$3M available)
- Mortgage loan program (\$15M available)
- Leasehold Improvement and Construction loan program (\$10M available)
- 0% interest loans for pre-development costs on real estate projects (up to \$100,000)





● Two of the greatest challenges to our growth are:

Access to facilities

Start up costs



● KIPP schools that have opened under new charters have benefited from Title Vb

- Pre-planning grants
- Planning and design grants
- Implementation grants



Level of funding has varied from ~\$200K to ~\$500K per school depending on the state

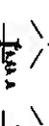
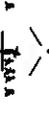
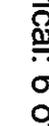
# KIPP schools that have opened under existing charters have not been able to access Title Vb funding

THIS DOCUMENT WAS PRODUCED BY AN OUTSIDE PARTY AND SUBMITTED TO THE OBAMA-BIDEN TRANSITION PROJECT.

KIPP Charters	KIPP Schools	Schools under existing charter	Title Vb missed opportunity
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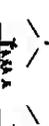
**Houston**



			
1	8	6 of last 7	~\$400k per school = \$2.4M
		Planned: 31	~\$400k per school = \$12.0M

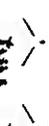
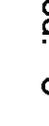
**Newark**



			
1	3	3	~\$450k per school = \$1.4M
		Planned: 7	~\$450k per school = \$3.2M

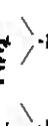
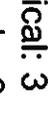
**New York City**



			
3	8	0	All accessed Title Vb
		Planned: 8	~\$300k per school = \$2.4M

**Washington, D.C.**



			
1	6	3	~\$500k per school = \$1.5M
		Planned: 6	~\$500k per school = \$3.0M



CASE EXAMPLE

●● Even under new charters, some schools have not been able to access Title Vb funds

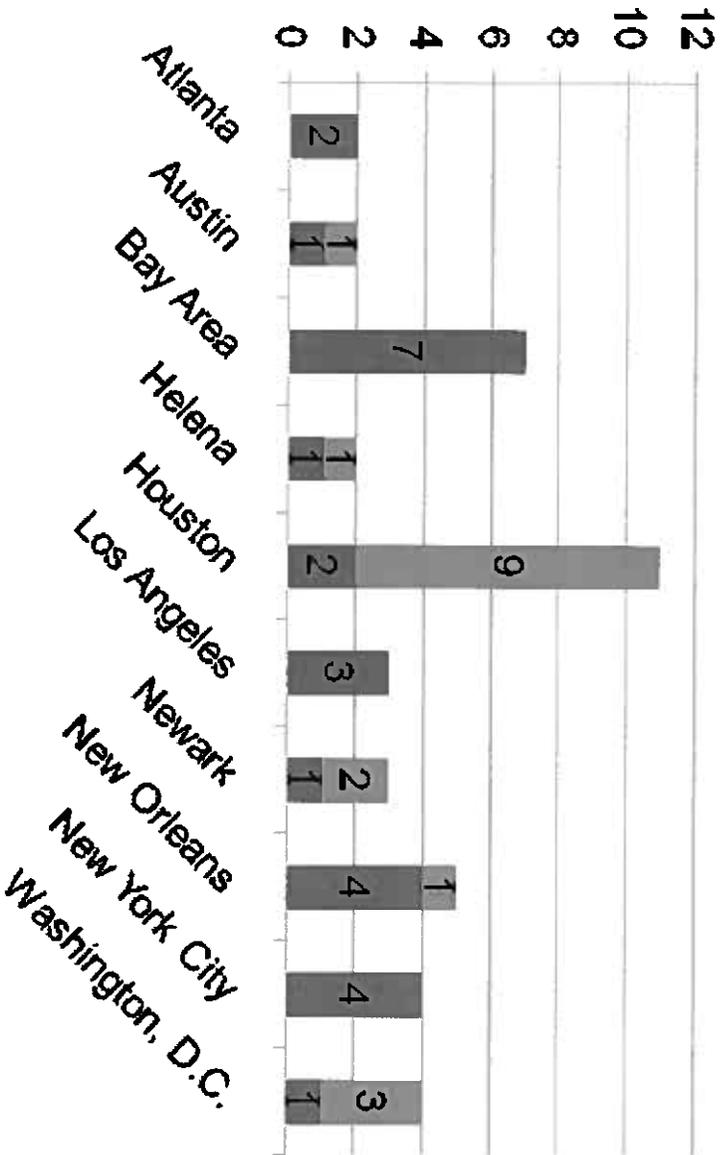


- KIPP Ascend in Chicago, IL received Title Vb funding for the first two years of current middle school's existence
- Would have qualified for funding in third year
- In KIPP Ascend's third year, the state of Illinois did not win the federal grant and, therefore, did not disburse funds
- Since then, Illinois has begun to receive federal funds again; however, they will not award KIPP Ascend the third year of funding





# • Of the 66 KIPP schools open today, 17 opened under existing charters



- Today, 10 KIPP regions operate multiple schools
- Of the 43 schools that operate within these regions 17 were opened under existing charters, precluding them from access to Title Vb start-up funding

■ New charter  
 ■ Existing charter



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•• Of the 19 schools we wish to open next year, only 5-6 will be able to access Title Vb!

Region	2009 New Schools	New charters
Atlanta	1	1
Austin	1	0
Baltimore	1	1
Denver	1	1
Helena	1	0
Houston	5	0-1
Newark	1	0
New York	3	0
Philadelphia	1	1
San Antonio	1	0
St. Louis	1	1
Washington, D.C.	2	0
<b>Total</b>	<b>19</b>	<b>5-6</b>



- In many of our regions, future expansion beyond 2009 is planned through amendment to existing charters





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- **Make the Biggest Difference**





## ●●Big Impact

- Offer new federal funding for replication that supports growth under one charter
- Expand the credit enhancement pool at least 3X
- Provide incentives for districts to free up space; provide dollars for high quality providers to use for facility leasing