

Date of Receipt by TEA: _____	Date of Committee Review: _____
Approved _____ Not Approved _____	Date of SBOE Review: _____
	Beginning Date of Operation: _____

## Application for Approval of an Open-Enrollment Charter

**Instructions:** The open-enrollment charter proposal must be submitted in contractual form including, in the order of the items below, these same components. Attach the following after the answers to the questions below: (1) signed facilities agreement, (2) evidence of parental/community support for the proposed charter, and (3) documentation of non-profit status.

Submit two copies of the completed application with attachments to the Texas Education Agency, Document Control Center, 1701 North Congress Ave., Austin, Texas 78701. For assistance, contact the Division of Charter Schools at (512) 463-9575.

Chief Operating Officer  
of Proposed Charter: Kenneth Heckmann Title: Interim COO

Name of Sponsoring Entity: Texans Can!

The applicant is an "eligible entity" under the following category (check one):

- an institution of higher education (TEC 61.003);  
 a tax-exempt organization [ 501(c)(3)];  
 a private/independent institution of higher education (TEC 61.003);  
 a governmental entity.

Sponsor Address: 2601 Live Oak City: Dallas, Texas

Zip: 75204 Phone Number: (214) 824-4226 FAX: (214) 357-3594

Type of charter sought:  an open-enrollment charter under  
(check only one ) TEC 12.1011(a)(1)

an open-enrollment charter under  
TEC 12.1011 (a)(2) (75% rule) (applicants for this  
charter must complete additional question #10 and  
sign the additional assurance found on page 30.)

Name of Proposed Charter School: San Antonio Can! Academy Charter School

Date of proposed opening: August 23, 1999

120/07/24/98-113



# San Antonio Can! Academy Charter School

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<b>B</b>	Facility Use Agreement
<b>C</b>	Letters of Support/Community Signatures
<b>D</b>	Budget and Justification
<b>E</b>	IRS letter
	Application to IRS
	1997 Tax Return
	Texans <u>Can!</u> Officers
	Texans <u>Can!</u> Board of Trustees
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## OPEN-ENROLLMENT CHARTER APPLICATION

Texans Can!, a 501(c)(3) nonprofit corporation, provides intensive, alternative educational opportunities for identified at-risk students in Texas who have not experienced success in traditional educational environments.

Texans Can! currently operates the Dallas Can! Academy on four campuses in Dallas and has received approval from the State Board of Education to establish Houston Can! Academy Charter School for the 1998-99 school year. Over the past 12 years, Dallas Can! Academy has served more than 6,500 young Texans by giving them a second chance in life through education. Texans Can! seeks to establish an open-enrollment, public, charter school in San Antonio based on the successful Dallas Can! Academy model called **San Antonio Can! Academy Charter School** to be opened in August 1999.

San Antonio Can! Academy Charter School's long-range vision is designed to impact **thousands of young San Antonians** who have not previously experienced success in education. Students residing within the San Antonio area will have the unique opportunity to complete their high-school education and advance to higher education or vocational training. **The Board of Trustees of Texans Can! believes in the vision of San Antonio Can! Academy Charter School and the need for the school in San Antonio. The Trustees have committed \$400,000 in start-up funds for the San Antonio Can! Academy Charter School.** Texans Can! agrees to operate **San Antonio Can! Academy Charter School** by the provisions described within this narrative and the attached assurances.

In the two years of operating  
Dallas Can! Academy Charter School,  
Texans Can! has produced  
92 High School Graduates and  
294 General Education Development  
(GED) Graduates.

- (1) Give the long-range vision (5-10 years) and the goals (of at least the first year) of the school.**

The long-range vision of San Antonio Can! Academy Charter School is to recover 5,000 to 10,000 school dropouts and high risk youth and help them to earn a high school diploma or GED, thus, preparing them to be active participants in their own future. To accomplish this vision the following goals for the first year have been established:

- Maintain the ethnic composition of the school to reflect that of the communities it serves.
- Increase the number of students who graduate, thereby, decreasing the drop out rates in Bexar County.
- Equal or surpass state standards and scores from the transferring districts for student performance on the TAAS test within the same population.
- Maintain an 85% student attendance rate.
- Establish a cooperative working relationship with the Bexar County independent school districts.
- Seek and nurture parent and community satisfaction and support.
- Increase the number of students who successfully transition from the school to a career or post-secondary education.

During the first year 250 to 500 students will enroll for educational services at **San Antonio Can! Academy Charter School**. In addition to the educational services, San Antonio Can! Academy Charter School will establish the following resources:

- **Pre-K Education.** It is anticipated that 200 eligible children of the students enrolled at the school and other interested parents in the community will require these services. San Antonio Can! will initiate these services during the second year of operation. As the number of students increase each year, the number of programs will be established in locations convenient to the parents. Texans Can! is an experienced Pre-K education provider having operated an early childhood program since 1992 as a part of the Families For Learning Program under the guidance of the National Center for Family Literacy.
- **Additional Locations.** It is anticipated that enrollment will increase by 250 to 500 students per year. Additional sites within Bexar County will be established to accommodate students in convenient locations that would benefit from the services provided by the school. To initiate services at additional sites, we propose additional locations for the School be approved by the Texas Commissioner of Education.
- **Partnerships.** Texans Can! will not only form collaborative partnerships with Bexar County school districts, but with the community. During the past 12 years, Texans Can! has demonstrated success in collaborating with school districts to serve students better suited for an alternative school setting. In addition, parent, student, and community satisfaction have been documented. San Antonio Can! Academy Charter School will replicate the previous successes of the Texans Can! Model. Over 300 parents and community members from the proposed area have signed the petition confirming support for the school. Signatures are included in Attachment "C." These signatures represent strong parent and community support, which will insure involvement in the school's decision making process.

- (2) Describe the governing structure of the open-enrollment charter, including Board composition, selection process and responsibilities. Also describe the role of administrators, faculty, parents, students, and community members in the leadership and decision-making of the school.**

**Governing structure** - Texans Can!, a 501(c)(3) nonprofit corporation, provides public alternative educational opportunities for at-risk students in Texas. San Antonio Can! Academy will perform operational functions (i.e., operation of a charter school) for Texans Can!. ) The governance structures of San Antonio Can! Academy include:

- a San Antonio-based School Board consisting of 6 to 12 members.
- a San Antonio-based Advisory Board with unlimited membership.
- a Chief Operating Officer who is a resident of San Antonio.
- a Superintendent who has 30 years experience in Texas public schools.

*One or more members of the San Antonio Can! Academy School Board will serve on the Texans Can! Board of Trustees.*

**Board composition and selection** - The San Antonio Can! Academy School Board will consist of San Antonio and Bexar County-area leaders representing a broad and ethnically-diverse spectrum of the San Antonio Can! Academy Charter School community -- including business, government, civic and community leaders. Federal and state nonprofit laws legislate that Texans Can! elect the School Board. Therefore, the School Board for the first year will be selected from the Advisory Board members to serve for a two-year term. Texans Can! will include at least one parent and one Academy student on the School Board. Nominations for these positions will be made by the school staff and voted on by the acting members of the School Board.

**School Board responsibilities** - The roles of the San Antonio Can! Academy School Board are:

- to establish local school policies and align these policies with TEA policies, state law, and the Charter granted by TEA;
- to insure consistency with policies established by Texans Can!;
- to develop the San Antonio Can! Academy budget for approval by the Texans Can! Board of Trustees;
- to provide an annual evaluation of the Chief Operational Officer to Texans Can!;
- to assist in public relations, fund raising, and identification and development of local patrons as Academy advocates and supporters;
- to approve student and faculty handbooks;
- to assist in determining locations for expansion within the designated service area to best serve the at-risk students of Bexar County;
- The School Board will abstain from day-to-day management of the Academy.

The School Board will elect officers to serve for a period of two years and will be re-elected or replaced by a majority vote of the Board after the two years from the existing membership. After two years, the community members would be nominated and selected by the full nine-member Board on a rotating one-year or two-year basis. Selection criteria require that the parent and student be nominated by the school staff or that their names be submitted to the committee for consideration. The nominating committee will be established by the Board and will function as the advisory committee established for the purposes of election. Vacancies will be filled by a majority vote of the Board to either conduct a new election or appoint from the nomination list submitted by the nominating committee. After the first year, years of service for each position will be established by the Board and a determination made for the terms to be served by each member. The Board will adhere to the Open Meetings Act following the prescribed method of posting and conducting meetings.

The San Antonio Can! Academy Charter School Board will appoint an Advisory Board consisting of San Antonio and Bexar County leaders and residents. One faculty member and one member of the Academy's administrative staff, one or more parents, and one or more students will also serve on the Advisory Board. The Advisory Board, given its well-planned diversity, will generate meaningful and broad-based community engagement, participation and support for the Academy's goals. In addition, identified Advisory Board members (listed below) have agreed to serve on the School Board. Invitations to other identified individuals to serve on the San Antonio Can! Advisory Board are pending. The role of the San Antonio Can! Academy Advisory Board is:

- to assist in accessing and recruiting in the various minority communities of San Antonio;
- to give direction and guidance on public relations, fund raising, and identification and development of local patrons as Academy advocates and supporters;
- to advise the School Board on issues of cultural sensitivity relative to the population of students being served;
- to assist in determining locations for expansion within the designated service area to best serve the at-risk students of Bexar County;
- The Advisory Board has no fiduciary or policy responsibilities.

The policy of Texans Can! mandates an ethnically-diverse and culturally-diverse organization. The Advisory Board will be responsible for recommending and assisting in recruiting potential employees to fulfill this goal.

Figure 1.

<b>Texans <u>Can!</u> Board of Trustees</b>	<b>San Antonio <u>Can!</u> Academy School Board</b>	<b>San Antonio <u>Can!</u> Academy Advisory Board</b>
<b>Chairman of the Board</b> Ken H. Heckmann, President Ken Heckmann Productions	Six to ten Members Selected from Advisory Board	Natalie Peterson, Executive Director Family Service Association
<b>Vice Chairman of the Board</b> Frank Breedlove City of Dallas (retired)	One Parent	Maria Ferrier, Executive Director City Year San Antonio
<b>Secretary of the Board</b> Francisca Rizo President Rizo & Associates	One Student	Joyce Coleman, Executive Director Battered Women's Shelter
Kevin Acosta Director of Community Outreach Dallas Public Schools		Sergio Soto, Youth Initiatives Manager City of San Antonio
Dr. Robert Aguero Vice Chancellor of Educational Affairs Dallas County Community College District		Rolando Morales, Community Action Manager City of San Antonio
The Honorable Steve Bartlett Chairman of the Board Meridian Products Corporation		Diana Alonso, Youth Center Supervisor City of San Antonio
Susan Cole Partner PricewaterhouseCoopers LLP		Joen Henricks, Associate Professor Our Lady of the Lake University
Joy Frederick Account Director The Richards Group		Carolyn Bolling, Associate Professor Our Lady of the Lake University
Dr. Mamie McKnight Consultant to the Chancellor Dallas County Community College District		Magdalena Alvarado, Director of Service Learning and Volunteerism Our Lady of the Lake University
Jethro Pugh President Gifts, Inc.		Ana Leyba Delgado, Librarian Worden School of Social Service Our Lady of the Lake University
William Velasco II President Velasco and Associates		Tracey Priddy, Director Innerscity Games San Antonio
Rev. S. M. Wright II Chairman and Chief Executive Officer MEC Office Supplies		James Holmes, Executive Director Youth Institute of San Antonio
		Patricia Holmes, President Youth Institute of San Antonio
		Raul Sanchez, Professor of Law St. Mary's University's School of Law
		Eugene Brown, Program Services Director Family Violence Prevention Services
		Charles Slater University of the Incarnate Word
		Pat Rodriguez SBC Foundation



**Role of administrators, faculty, parents, students, and community members in the leadership and decision-making of the school.**

The Chief Operating Officer will be responsible for the business aspects of the San Antonio Can! Academy. The Chief Operating Officer will hire, supervise, evaluate and, if necessary, suspend or terminate administrative and business personnel.

The Superintendent will be responsible for the educational aspects of the Academy. The Superintendent will hire, supervise, evaluate, and if necessary, suspend or terminate educational and counseling personnel.

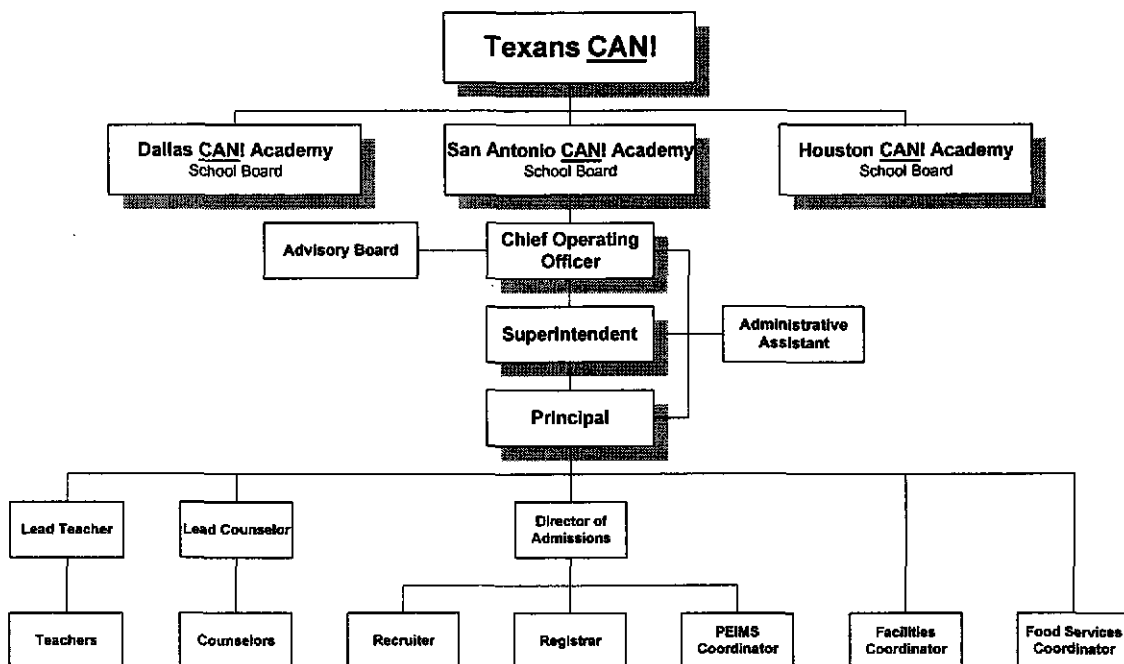
Input to the decision-making and leadership of the School will be proactively and eagerly sought from administrators, faculty, parents, students and community members. As noted above, Texans Can! will have broad-based representation on both the School Board and the Advisory Board.

The lack of parental support and involvement in the education of at-risk students is well known and documented. A strong, consistent and concerted effort must be made to involve the parents in the education of their children. In addition to the Advisory Board, a site-based management team will be developed comprised of staff, student leaders and interested parents to be involved in the decision-making matters of the school. The site-based management team will propose and vote on recommendations for the administration of San Antonio Can! Academy.

Recommendations from the site-based management team will be placed on the agenda for the San Antonio Can! Academy School Board consideration.

Figure 2.

**San Antonio Can! Academy**  
Proposed Organizational Chart



**(3) Describe the educational program to be offered, including the required curriculum under the Texas Education Code (TEC) S28.002, and student attendance requirements:**

**Description of Educational Program** - Over the past 12 years, Texans Can! has developed an innovative, educational program, which has been highly successful in empowering school dropouts and at-risk youth to continue their educational career and succeed through education. The highly at-risk youth constitutes a special population and provisions must be made for various learning styles which are encountered in working with these students.

In order to accommodate the diverse learning styles, every student at San Antonio Can! Academy will have an Individual Educational Plan (IEP) based on a variety of academic assessment results and educational history. San Antonio Can! Academy will use a competency-based system of curriculum, for both high school diploma and GED studies, which is open-entry, open-exit and self-paced. This curriculum is supplemented for diploma students with classes as needed to fulfill the requirements for graduation under Texas Administration Code 119, Chapter 74, Subchapter B.

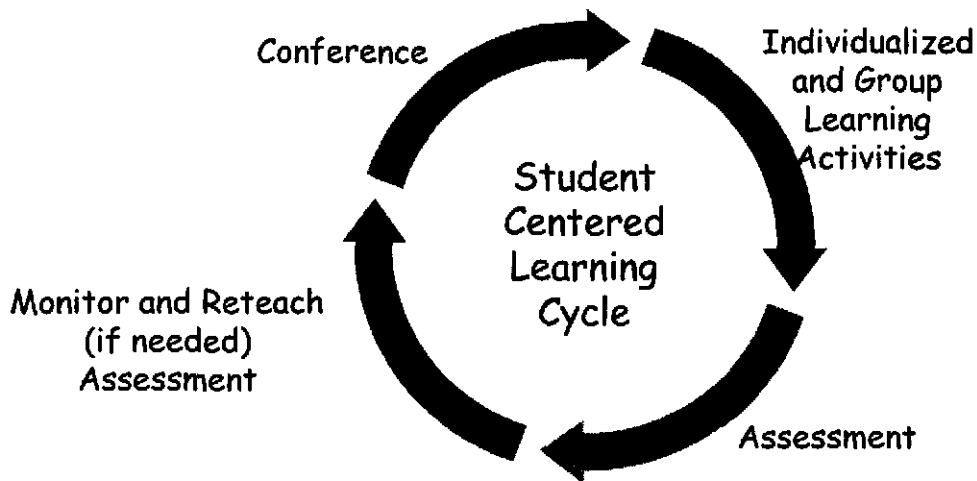
For diploma tracked students, the lead teacher on each campus will make an initial appraisal of the student's transcript. In conference with each student, a plan for completing graduation requirements will be discussed. Students are then assigned to courses and are given learning packets, which detail learning activities. A variety of instructional practices and formats are included in each student's educational plan. As a student completes his or her self-paced course, another conference confirms the accomplishment and re-enforces the ultimate goal, and also provides the materials for the next course. A mastery level of 70% is required for passing.

Texans Can!'s instructional methods differ greatly from traditional methods. Studies are self-paced with assistance from staff utilizing computer-assisted instruction, curriculum from state adopted textbooks, direct instruction, small group interaction and projects, and individual teaching assistance. Teachers specializing in mathematics, science, language arts, and social studies structure the lesson plans and provide whole group instruction for conceptual development. Study skills, test taking skills, and social skills are integrated into the instructional process. Teachers and counselors are available to provide individual assistance and attention. Assessment of learning occurs at the individual level as well. Students are assessed through curriculum tests, criterion-referenced tests, and state-mandated TAAS and end-of-course assessments to determine mastery of content materials.

**All educational resources will be available to serve identified special populations such as special education (Sp. Ed.), at-risk (AR), English as a second language (ESL), Limited English Proficiency (LEP), and gifted and talented students.**

A variety of initial assessments is conducted on each student. Students are administered the Test of Adult Basic Education (TABE) by the lead teacher to determine functional levels in the core curriculum areas. In addition, student transcripts and records are evaluated for placement in the curriculum. An individual conference is scheduled to discuss graduation requirements, behavior and attendance codes, and the IEP. Students are assigned to courses and are given learning packets which detail course requirements. A variety of instructional practices is included in each student's educational plan. Students have input into the types of activities that would provide the most efficient course of study. After the student completes his or her self-paced coursework, a conference is scheduled that confirms mastery of the course objectives, re-enforces the IEP and graduation plan, and provides the materials for the next course.

Figure 3.



### Texas Essential Knowledge and Skills

Texans Can! has made every effort to align curriculum objectives with the Texas Essential Knowledge and Skills (TEKS). Dr. Katherine Wells Knighten has worked as a Curriculum Specialist for Texans Can! to correlate the present curriculum offerings to the TEKS as required by the Texas Administration Code (TAC) 119, Chapter 74, Subchapter A. Teachers have also been involved in the process and consistently review and update to insure that all concepts and performance measures are addressed.

TEKS provides the foundation for all academic courses provided by the school. Strategies addressing the Texas Assessment of Academic Skills (TAAS) are integrated throughout the curriculum. Many students come to Texans Can! requiring one to five courses to meet graduation requirements. However, they may also need to pass from one to all three of the exit

TAAS tests to be able to graduate. The learning packets include projects that address various student learning styles empowering the students to gain the skills and competencies needed to pass the exit level TAAS. Student-designed options are included as an alternative which may be approved by the staff to add variety and innovation to the individual's educational program.

### **Curriculum Tied to Vision and Goals**

The long-range vision of San Antonio Can! Academy Charter School is to recover 5,000 to 10,000 school dropouts and help high-risk youth to earn a high school diploma or GED, thus, preparing them to be active participants in their own futures. To accomplish this vision and to reach the goals established by the charter the following concepts will be implemented to insure personal and academic success:

- to give inner-city, at-risk, San Antonio youth a second chance in life through education.
- to actively recruit 16-21 year-old youth who are at risk of dropping out or who have officially withdrawn from public schools. Physical disabilities, academic abilities, or athletic abilities are not reasons for exclusion. Texans Can! has long specialized, and has substantial expertise, in recruiting at-risk youth.
- to enroll 250 to 500 students without regard to race, color, national origin, ethnicity, religion or gender.
- to provide educational, counseling and social work resources necessary for each student aged 16-21 to attain a high school diploma.
- to provide educational, counseling, and social work resources necessary for students who are over-aged for their grade level and who lack credits to complete high school to earn a General Educational Development (GED) certificate.
- to encourage Academy graduates to continue their education at a community college or vocational training program.
- to counsel and assist students in finding full-time, unsubsidized employment.

### **Curriculum, Innovation, and Instruction Practices**

**Individual Education Plans** - Staff members develop an Individual Education Plans (IEP) for each student. Students' reading comprehension and math competency form the basis for the IEPs. A competency-based, computer-assisted educational system is the heart of the curriculum for basic and remedial education. Written curriculum, integrated with the computer IEP, provides students a variety of instructional techniques. The written and computer curriculum addresses diverse learning styles and adapts pedagogical formats to best accommodate special populations.

Students entering the charter school are assigned to a teacher and counselor team. It is the responsibility of the team to work with the students as they proceed through the curriculum. A variety of instructional practices is utilized by the teacher and counselor teams including assessment, tutoring, drill and practice, application of concepts and evaluation. This educational philosophy is consistent throughout the Texans Can! curricula.

Student plans are sensitive to the different learning styles of the students. When possible, students are offered multi-modal approaches so that the visual learner can learn through his or her strength, rather than working with a weakness in auditory learning. Tactile materials and game formats are now incorporated into the learning activities through innovation of teachers over the past two years. For example, teachers are strongly encouraged to apply innovative educational practices and are recognized for doing so. Students are familiar with textbooks and are comfortable with that well-known format, even though they may have been unsuccessful in the past. In an effort to address the skills and competencies needed for success in the workplace, cooperative learning is utilized with the content of the course as the carrier for the learning.

**Computer Assisted Learning** – San Antonio Can! will utilize the *Invest Learning System*. The Invest Learning Computer Curriculum Corporation is a division of the Simon & Schuster Corporation.

With the Invest Learning courseware, students maintain control while they experience success through small sequential steps. Students learn “how to learn,” how to solve problems, and how to think critically, while developing specific communication and computational skills. The comprehensive curriculum evolves from the critical learning needs of the target adolescent and young adult population -- relevancy, privacy, control, immediate corrective feedback, praise and success.

Invest Learning courseware begins at the foundation of literacy and low-level communication skills and continues through critical advanced foundation skills. The courseware is appropriate for young adults, ranging from non-readers to those preparing for post-secondary, or vocational education, and advanced job training and skills enhancement.

Invest Learning courseware optimizes learning by individualizing instruction and training through a comprehensive, articulated curriculum, linked to a diagnostic and prescriptive management system. Such an open-entry, open-exit system also enables the delivery of flexible instruction and practices that better address students’ divergent specific goals and general aspirations, responsibilities and time schedules.

With the Invest Learning Management System, teachers can select the specific level, course or training component appropriate for each student. The Prescribe by Objective feature permits the teacher to prescribe individualized learning objectives and curriculum for each learner. The Custom Curriculum Builder utility facilitates the building of custom courses and modules to meet specific learning objectives or vocational requirements.

The Invest Learning System integrates and reinforces content and skills across and within subjects. As an example, teaching staff reinforces controlled vocabulary through spelling, comprehension and directed-writing exercises. The controlled vocabulary learning is, in turn, spiraled by being used and reinforced throughout all levels and parts of the program. The Invest System uses multi-modal presentation of material with a strong auditory component and

graphical support, especially at the lower levels of the program. Young adults and adolescent users of the courseware can participate in “learning” embedded in life experiences with which they are familiar.

San Antonio Can! Academy will have sufficient software, computers and network systems to guarantee each student a minimum of two hours per day of computer-assisted instruction.

**Teacher-Counselor Teams** - Texans Can! has established a highly successful educational program utilizing case management and support services. At-risk students require more professional intervention to find success than do traditional high school students. With multiple social, personal and sometimes legal issues that must be addressed, in addition to their academic progress, counseling and social work intervention are essential.

One of the unique features of the Texans Can! educational program is the teacher-counselor-social worker team approach. One counselor (social worker or counselor or student advocate) is assigned to each teacher. Each student is assigned to a teacher-counselor team. This partnership is responsible for the student’s successful academic growth, attendance, behavior and attitude. In addition, social, family, legal and personal issues that have been barriers to success in the past are addressed.

Case management and appropriate support services are an integral part of Texans Can!’s highly successful attendance strategies. Counselors provide case management services to assist students with transportation and attempt to secure funding for child care through the Child Care Management System (CCMS), family members, social services organizations and other resources. On an as-needed basis, counselors identify and meet other needs, such as assistance in providing eyeglasses, dental care, or medical care through associations with community service organizations, Board of Trustees members, gifts-in-kind contributions or cash donations.

By providing appropriate support services on a daily basis, San Antonio Can! Academy Charter School will empower and encourage the most at-risk student to persist through the duration of the program in order to succeed. Telephone contacts and visits to students at home have resulted in daily attendance of 85% at Dallas Can! Academy. In addition, counselors instruct students in the skills necessary to matriculate into vocational schools and higher education.

### **Attendance**

San Antonio Can! Academy Charter School will serve the high-risk populations of Bexar County and has set the attendance goal at 80%, although we will expect an 85% attendance rate. Many students are parents with both family and financial responsibilities. A sick child must take priority over school. Students are often employed, including some that must work while attending school. Attendance goals must be set to reflect and respect the responsibilities of students.

Texans Can!'s attendance strategies include having San Antonio Can! Academy operate a 212-day school year (without additional cost to the State of Texas) rather than the traditional 180-day school year. Eighty percent (80%) of 212 school days is equivalent to 169.6 days of attendance. In a traditional school year of 180 days, 169.6 days of attendance equals a 94.2% attendance rate (169.6 divided by 180 = 94.2%). The extended year combined with an extended day and the Individualized Education Plan affords flexibility and opportunity for maximum student success.

In addition, intrinsic (i.e. recognition) and extrinsic (i.e. drawing for a car at the end of the year) motivational strategies will be utilized to promote attendance. Counselors closely monitor student attendance and make home visits when appropriate. All charter schools operating under Texans Can! adhere to the Texas Education Agency's 1997-98 *Students Attendance Accounting Handbook, Sect. III., General Attendance Requirement*. In addition, Texans Can! will adhere to future revisions of this handbook, or alternately, to other directives of the Texas Education Agency regarding student attendance requirements for open-enrollment Charter Schools. All attendance policies will concur with Texas Education Code (TEC) S28.002 and will be included in the Student Handbook approved by the School Board.

### **Discipline**

Teachers employed at San Antonio Can! Academy will not handle discipline. This is based on the precepts that teachers are trained to teach without the burden of discipline. Disciplinary action is the primary responsibility of the assigned counselors who must monitor attendance and maintain an optimum learning environment in each classroom. Classrooms are large and staffed by more than one teacher and counselor team. Over time, as these teams work together, the dynamics of their working relationships mesh to form a seamless environment of learning.

Texans Can!'s main premises for succeeding with the student population include three guiding principles, as summarized below. They are an integral part of the teaching philosophy.

- **Rules without relationships breed resentment.** - Texans Can! encourages students to develop appropriate relationships with teachers and counselors.
- **Never discipline in public but always reward in public.** - Texans Can! believes students should receive discipline in private and be rewarded in public.
- **If you can conceive it, and believe it, you can achieve it** - Texans Can! strives to inculcate this belief among students -- that they can become "Winners."

**Accountability for Personal Behaviors** – San Antonio Can! Academy will employ an innovative student disciplinary and dismissal procedure developed over the past 12 years. These procedures follow a series of progressive steps called the Conduct Reminder System. Steps include:

- ◆ Step 1. Staff observes student misconduct and gives student a verbal warning (in private). Staff documents the misconduct and verbal warning.

- ◆ Step 2. Staff observes student misconduct and gives student a second verbal warning (in private). Staff documents the misconduct and second warning.
- ◆ Step 3. Staff observes and documents student misconduct. Staff notifies the student's counselor and the counselor and student initiate a behavior contract (in private). The behavior contract also places the student on probation for the duration of the contract.
- ◆ Step 4. If the student fails to honor the terms of probation, he or she will be suspended from San Antonio Can! Academy Charter School, pending a conference with the student's parent or guardian.

The first suspension is usually for two to three days. The suspension can vary, depending on the seriousness of the offense.

A second suspension is usually for five days, but can vary, depending on the severity of the offense.

A third suspension may result in placement in an alternative educational program, a home study arrangement, or termination from the program.

This system of discipline allows a student the opportunity to change the behavior that led to the disciplinary action. San Antonio Can! Academy will operate under the philosophy of Discipline in Private, Reward in Public. This has proven effective in modifying student behavior and improving student self-esteem.

**NOTE: San Antonio Can! Academy Charter School will comply with all federal and state guidelines regarding suspension and expulsion of identified special education students.**

### **Extra-curricular Activities and Student Services**

For an alternative school, Texans Can! provides an extraordinary variety of extra-curricular activities and student services. Texans Can! strives to provide programs that develop well-rounded students. These program offerings include optional activities and field trips covering a variety of topics which include: education, life-skills and coping techniques, community service, physical fitness, and cultural sensitivity.

- **Health and Human Services Issues** - Sixty-eight percent (68%) of Texans Can!'s female students are teenage mothers. Therefore, it is crucial to educate females and males about their reproductive health, smart lifestyle choices, and responsible parenting.

Texans Can! recently instituted a Pregnancy-Related Services (PRS) program. Fifty (50) mothers-to-be learn about nutrition and prenatal care, childhood growth and development, and dealing with complicated feelings and issues arising from teen pregnancy. After the baby is born, Texans Can! counselors and school nurse make home visits to tutor the new mother in homework, and help her adapt to her new role. This practice helps prevent these young women from denying that education is an important investment in their future.



From one to four times per month, selected organizations and speakers are invited to address a variety of health and human service issues. These presentations are considered to be of great value to the students and an important part of their educational program.

- **Physical Education** - Texans Can! has developed a credit Physical Education (P.E.) course in addition to providing many opportunities for extracurricular physical activities. In addition to physical well being and coordination, Texans Can! offers programs that have team-building components.

The Dance Squad is comprised of students who perform at Winners' Circles (see page 16 for description of Winners' Circle) plus community activities, including holiday performances for underprivileged children.

An option for intramural sports, including volleyball, golf, and basketball are among the activities for students to choose. Texans Can! currently fields a team in the Alternative School League.

The school properties have no gymnasiums or ball fields, so various locations in the community are used, such as YMCA basketball courts, public golf courses and city parks. Traveling to these locations gives the students a chance to visit other parts of town.

- **Pre-Employment Skills Curriculum** - The Pre-Employment Skills/Work Maturity classes are an extracurricular activity. These classes use the Essential Skills for the Workplace (ESW) curriculum. This curriculum includes how to job search, what today's employers want from employees, career terminology and interviewing techniques. The curriculum is culturally sensitive and respectful of all racial and ethnic groups.

Prior to entering Pre-Employment Skills Curriculum, staff assesses students to determine their core competencies for employment readiness. To achieve success, students must demonstrate proficiency in eleven competencies -- five on how to get a job and six on how to keep a job.

- **Life-Coping Skills** - Life-coping skills training is an extracurricular activity designed to empower students to take charge of their lives by learning to solve problems, function effectively in society, and provide a better quality of life for both the students and their children. Texans Can! has an outstanding record of student retention, successful outcomes, referrals to continuing education programs, and the numbers of students entering full time employment. These success indicators strongly support the value of life-coping skills in building students' self-confidence and self-respect.

Life-coping skills must be taught with a culturally-sensitive awareness and respect for the variety of backgrounds encountered by highly at-risk students. The curriculum for life-coping skills respects these cultural differences and considers them strengths upon which students can build.

A part of life-coping skills education is to know where to turn for help in time of need. Students are educated to the assistance available to them from social service organizations, vocational training institutes and other resources.

- **Community Service Projects** - Young people need a grasp of the workings of the world around them. Therefore, students are offered the opportunity to participate in projects that benefit others.

One of the largest public service events was a Service Day with the Dallas Mavericks basketball team. Students learned about child safety before they spent time applying labels on infant car seats. After these labels were applied, the car seats were distributed to indigent mothers at a local hospital. Members of the Mavericks organization worked side-by-side with students, as positive sports role models and caring members of the community.

Additionally, students volunteered to work various Mavericks games during the holiday season to staff booths for a Toy Drive and a Food Drive.

Even though the majority of Texans Can! students come from economically-disadvantaged backgrounds, service projects are beneficial because these help young people become aware that there are people even less fortunate than they.

- **Cultural Understanding and Activities** - Because of Texans Can!'s diverse ethnic population, cultural sensitivity and awareness are a large part of the program under the premise that understanding leads to acceptance.

Special programs are held on campus in celebration of cultural holidays, such as Cinco de Mayo and Black History Month. Guest speakers discuss history and cultural pride, plays and dances are performed; and foods from other cultures are served.

Field trips into the community are provided, to expand knowledge and familiarity. An outing to the African-American Museum, where famous black performers treated students to performances, was a particular success.

- **Public Speaking** - Students are often asked to speak on the merits of Texans Can! programs and how these programs have helped shape their lives. These confidence-building activities take place in front of civic groups, service clubs, and Texans Can! Board meetings.

School curriculum is currently being developed for speech classes and/or a debate club. These speaking engagements allow the young students to practice skills that will benefit them when speaking to groups of strangers, or conducting job interviews, applying for college admission or job positions.

- **Yearbook Committee** - Photography, publication layout and journalism skills are part of the activities for students who choose to work on the yearbook. They attend school and community events, looking for appropriate stories for the annual student publication.

Because journalism and advertising classes are not yet offered in the school, working on the yearbook offers students exposure to potential career paths and opportunity to develop skills in areas they might have not seen as their personal strengths.

- **Senior Prom** – Dallas Can! Academy hosts a Senior Prom each year, where students have the opportunity to join their classmates in a celebration of their successes. A local disc jockey provides entertainment, skits are performed, and class awards are bestowed. Because many students come from low-income backgrounds and cannot afford prom clothing and finery, the school opens the clothes closet to loan formal wear donated by local clothing companies.
- **Winners' Circle** - The Winners' Circle is an essential part of the educational program. The purpose of the Winners' Circle is to publicly reward and reinforce educational progress and positive changes in behavior, character, attitude and habits.

The Winners' Circle has its own special song, written by staff and recorded by students. Winners' Circle looks very much like a "pep rally." Led by a staff member, each of the awards has its own "cheer" which is "yelled" by the leader and responded by the students. For example, the Weekly Perfect Attendance Award motto which would be repeated as follows:

Leader:        You've Got To Get Out Of Bed To Get Ahead!  
 Students:     You've Got To Get Out of Bed To Get Ahead!  
 Leader:        You've Got To Show Up To Grow Up!  
 Students:     You've Got To Show Up To Grow Up!  
 Leader:        You Snooze, You Lose!  
 Students:     You Snooze, You Lose!

In addition to the Weekly Perfect Attendance Award, a Student of the Week Award and a Student of the Month Award recognize both behavior and attendance. Some of the other Winners' Circle awards and the requirements for obtaining them are:

- "Outstanding Achievement Awards" - an award for passing an academic grade level.
- "Change Award" - the student is making positive changes in his or her life.
- "Hang Tough Award" - the student has "hung in there" during a tough time in his or her life.
- "Sunshine Award" - the student has had a great attitude and a smile on his or her face.
- "Crunch Award" - the student made a good decision during a "crunch" time in his or her life
- "Steadiness Award" - several students win this award each week by working steadily toward their academic goals.

Samples of these awards are shown in Attachment "I."

Community and Business leaders are invited to address students at a Winners' Circle. They provide valuable motivation and information about remaining in school and preparing for the next step in the students' lives.

The Winners' Circle is an innovative way of tying the curriculum to the goal of retaining at-risk students in a learning environment. Recognition works for all students including special population students and students with different learning styles.

### **Special Education**

The San Antonio Can! Academy Charter School will provide a free appropriate public education (FAPE) serving students with disabilities ages 16 to 21 in the least restrictive environment (LRE) as determined by the Admission, Review, and Dismissal (ARD) Committee established at the campus. An Individualized Education Plan (IEP) will be developed and implemented for each identified special education student. All records will be secured to insure confidentiality.

The special education services to be delivered by the San Antonio Can! Academy Charter School will include the following child-centered activities:

- Child Find System (when appropriate)
- Referral
- Assessment
- ARD/IEP Development
- LRE Placement
- Confidentiality
- Parent Involvement
- Quality and high standard staff and support
- Professional Development
- Outlined and Board approved Disciplinary Procedures
- State approved forms

The San Antonio Can! Academy Charter School will admit and fully serve eligible students with disabilities and/or handicapping conditions. In addition, transportation services that are identified on the Individual Education Plan (IEP) will be provided. Certified personnel will be sought and employed to deliver a free and appropriate public education for the identified student(s) served by the school. Technical assistance from the Region XX ESC will be utilized as a resource and on all special education issues that require assistance.

*An Explanation of Rights and Procedural Safeguards of a Parent with a Child with Disabilities in School* will be provided to each parent which explains the rights as outlined in federal and state law. Certified staff will review this document with parents and additional information will be made available upon request in the parents' native language in writing or through an

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interpreter. The San Antonio Can! Academy Charter School will provide information to parents for the following purposes:

- upon initial referral for evaluation;
- upon each notification of an admission, review, and dismissal committee (ARD) meeting;
- upon each reevaluation; and
- upon a school district's request for a "due process hearing" about their child.

The San Antonio Can! Academy Charter School will comply with all requirements provided for in the Individuals with Disabilities Education Act Amendments of 1997, and will implement the following:

- place the emphasis on what is best educationally for children with disabilities rather than on paperwork for paperwork's sake;
- give professionals, especially teachers, more influence and flexibility;
- enhance the input of parents of children with disabilities in the decision making that affects their child's education;
- make the school a safe place; and
- consolidate and target discretionary programs to strengthen the capacity of the school to effectively serve children, including infants and toddlers when appropriate, with disabilities.

The San Antonio Can! Academy Charter School will adhere to all open enrollment policies as defined by the State Board of Education and will not prohibit or discriminate in admission policy based on sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend. (Section 504, Part 104; Section 12.111) Furthermore, all special education data collection for PEIMS as required by the Texas Commissioner of Education will be reported in the format and at the scheduled dates to Region XX ESC.

San Antonio Can! Academy Charter School will contract with the Education Technology Group (ETG) for Special Education program development and implementation of the school's Special Education services. ETG maintains state-certified and experienced staff in administration, psychometrics, and instruction.

**(4) Describe the accountability measures the school will use to evaluate student performance.**

San Antonio Can! Academy Charter School will utilize the *Student Centered Learning Model* to determine academic performance. This educational model promotes student interaction with the curriculum and provides immediate feedback as to the effectiveness of the learning process.

- (a) Identify the specific levels of student performance on assessment instruments adopted under TEC Chapter 39, Subchapter B, that constitute acceptable performance for the open-enrollment charter.**

Texas Assessment of Academic Skills (TAAS) goals for San Antonio Can! Academy are set to meet or exceed the level set for this population by the State Board of Education. Qualified test administrators will be used to administer the exit-level TAAS to assess competencies in written language, mathematics and reading. All eligible non-exempt students shall be assessed on TAAS. The San Antonio Can! Academy Charter School will offer an intensive program of instruction for students who did not perform satisfactorily on the TAAS assessment instrument.

**San Antonio Can! Academy Charter School** will follow the guidelines outlined in Chapter 74 regarding graduation requirements. Students must complete all credit hour criteria courses as stipulated by the State of Texas. Scores on each examination will assess student performance. A minimum score of 70% must be achieved to receive course credit. Students completing Algebra I, Biology I, English II, and United States History will participate in the **end-of-course assessment instrument**. It is anticipated that scores on these examinations will equal or exceed those from matching populations.

**Only students identified in TEC Chapter 39, Subchapter B, will be exempt from academic skills assessment instruments.**

- (b) Describe any additional accountability provisions in addition to those required under Texas Education Code, Subchapters B, C, D, and G, Chapter 39, by which the performance of the open-enrollment charter will be assessed: Provide the deadline or intervals by which the performance of the open-enrollment charter will be determined for accountability purposes:**

In order to develop an IEP for highly at-risk students, a variety of diagnostic assessments is necessary to determine a baseline of performance. Both standardized and non-standardized instruments will be utilized. Upon entry to the program, all students are administered a Test of Adult Basic Education (TABE) which is a normed reference test yielding scores in the core curriculum areas. This pre-test provides vital information regarding a student's academic level and is used for diagnostic as well as placement decisions. The TABE is also available in Spanish and a computerized version. A translator will be available for students who indicated other languages on the home language survey. The TABE is administered as both a pre/post test and will yield data that can be compared to determine academic progress for students enrolled at the school.

The Invest computer-assisted instruction software contains its own diagnostic and prescriptive assessment instrument. With this assessment, the teacher can prescribe individual learning objectives and custom curriculum for each student. The Invest software continually assesses the progress of the learner and does not permit advancement to the next educational level unless a score of 80% has been earned on all lessons. The software records these assessments in the student's "computer file" which is readily accessible to the teacher. If the student does not pass a

subject in three attempts, the software notifies the teacher who can then provide one-on-one assistance.

In addition to the TABE and Invest assessments, student progress will be measured through curriculum tests which are primary assessments of academic functioning. Informal inventories are also utilized to assess student learning styles, reading interests, vocational preferences, and levels of academic functioning.

The San Antonio Can! Academy Charter School will make application to TEA to operate under the Alternative Accountability System. Under this system TAAS data will be used for the purpose of Reports to Parents (not for determining the campus rating). If approved by TEA, Goals for student achievement will include the following:

- The goal for credit course completion of those credit courses attempted by High School Diploma students will be 70%.
- The goal for students who entered the Academy with sufficient courses to qualify as 12th graders is that 70% will meet graduation requirements.
- The goal for the average rate of attendance for all students will be 80% (equivalent to 94.2% attendance rate for 180-day school year).
- The goal for students who are behind grade level in a subject will be a 2-grade level increase in that subject.

Performance of the open-enrollment charter will be determined annually for accountability purposes.

**(c) Provide the timelines by which the report of the performance of the school will be submitted to the State Board of Education.**

Over the past two years, Texans Can! has developed a highly successful and accurate reporting process. San Antonio Can! Academy Charter School will provide Public Education Information Management System (PEIMS) information to the Texas Education Agency (TEA) in a timely manner. An annual performance report will be submitted on or before September 15 of each year. School Report Cards (SRC) will be disseminated to parent, guardian, or conservator of each student at the campus on a nine weeks grading period. In addition, San Antonio Can! will participate in the annual evaluation of the open-enrollment charter schools as described in *Chapter 12* and comply with all timelines outlined by the evaluation team. All data will be collected and reported as required.

**(5) Provide a list of all districts within the geographical area that may be affected by the open-enrollment charter with the date the Statement of Impact form was sent to each affected district.**

Since the anticipated student population will be recovered from school dropouts, it is possible that no school districts will be negatively affected by the proposed charter school. If student transfers occur, due to the central-city San Antonio location of the proposed Charter School,

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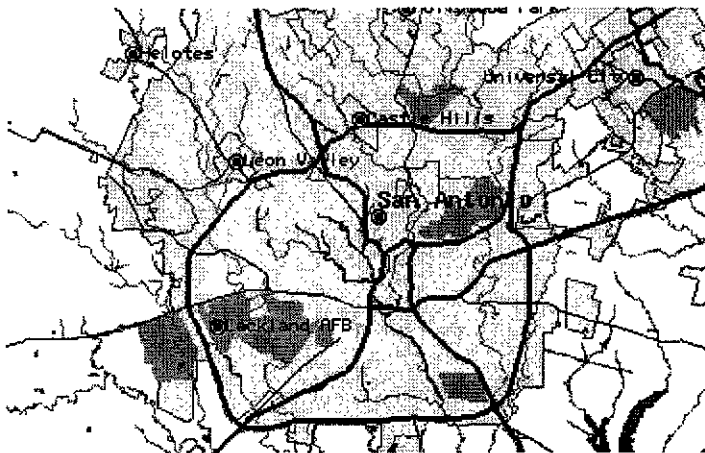
San Antonio I.S.D. will be impacted. However, since the charter school is designed to recover dropouts in an alternative setting, the charter school will have a positive impact on the school districts in Bexar County.

In addition, other school districts in the proposed geographical area of Bexar County may refer students to San Antonio Can! Academy Charter School. The *Statement of Impact* letter, form, and a draft copy of this application were sent by certified mail - return receipt requested on July 3, 1998, to the following school districts:

- |                              |                     |
|------------------------------|---------------------|
| Blessed Sacrament Academy    | North East ISD      |
| Building Alternative Charter | East Central ISD    |
| Alamo Heights ISD            | Southwest ISD       |
| Harlandale ISD               | Lackland ISD        |
| Edgewood ISD                 | Ft. Sam Houston ISD |
| Randolph Field ISD           | Northside ISD       |
| San Antonio ISD              | Judson ISD          |
| South San Antonio ISD        | Southside ISD       |
| Somerset ISD                 |                     |

**(6) Describe the geographical area served by the program.**

Figure 4.



San Antonio Can! Academy will accept students residing in Bexar County who satisfy the enrollment criteria. Can!'s traditionally serves high-risk, inner-city, economically-disadvantaged youth. Consequently, it is anticipated that the majority of San Antonio Can! Academy students will come from areas having a high concentration of minority populations and persons living at or below the poverty level, as established by federal government guidelines. The 1997 AEIS report indicated that there were over

61,000 students served by San Antonio ISD alone. Of these students from San Antonio ISD, over 83% were identified as Hispanic and 11% African American. Of the student population 57% were identified as low socioeconomic. Dropout rates for the 1996 school year were reported to be 2%. This represents a population of over 600 students per year that could be served by San Antonio Can! Academy Charter School.



**(7) Specify any type of enrollment criteria to be used. (For admission to an open-enrollment charter school, the person operating the school may require the students seeking admission to complete and submit applications not later than a reasonable deadline the school establishes.) Indicate whether an open-enrollment charter provides for the exclusion of a student who has a documented history of criminal offense, juvenile court adjudication, or discipline problems under TEC, Chapter 37, Subchapter A:**

**Enrollment Criteria**

The enrollment criteria for students at San Antonio Can! Academy are as follow:

1. Eligible for public school education in the state of Texas.
2. A resident of Bexar County.
3. Ages 16-21
4. Must complete pre-admission testing (the TABE is used to develop IEP's).
5. Must attend an orientation and bring the required documents (school transcript, drop slip, birth certificate, social security card, immunization records). Students who are 16 and 17 years of age must be accompanied by a parent or a legal guardian.
6. Must meet with his or her counselor to identify needs for transportation, childcare, family support and other social services.
7. San Antonio Can! Academy Charter School will employ a Licensed Chemical Dependency Counselor (LCDC). If, in the professional opinion of the staff, an applicant is in need of drug or alcohol abuse intervention or treatment, all effort will be made to obtain these services, preferably on a *pro bono* basis. The applicant will be eligible to reapply at a later date after successful completion of the treatment or intervention program.

San Antonio Can! Academy will use an open-entry and open-exit enrollment system. No specified timetable for registering and admitting students is needed in an open-enrollment system. San Antonio Can! Academy Charter School will initially admit 200 to 500 students of any race, color, national origin, ethnicity, religion and gender. Should more than 500 students apply for enrollment, San Antonio Can! Academy Charter School will use a lottery system for selecting students. Staff will originate a student waiting list if the number of applicants exceeds the program capacity. Staff will select students by drawing student names from the waiting list to fill vacancies. Staff will notify students whose names are drawn. Physical disabilities, academic abilities, athletic abilities, the district the student would otherwise attend, or students with documented history of criminal offense, juvenile court adjudication, or discipline problems under TEC, Chapter 37, Subchapter A will not be reasons for exclusion. However, San Antonio Can! Academy Charter School reserves the right to exclude students as outlined in Chapter 12, Section 12.111 who have documented history of a criminal offense, a juvenile court adjudication, or discipline problems under Subchapter A, Chapter 37.

- (8) Specify the qualifications to be met by professional employees (administrators, teachers, counselors) of the program. Will the school automatically run a criminal history check on all employees? Describe the teaching philosophy proposed by the school.**

**Administrators**

**Superintendent** – Dr. Shirley Rose will provide the educational leadership for San Antonio Can! Academy Charter School. Dr. Rose was employed by the Harris County Department of Education for the past 20 years. For the last six years, she was Superintendent of the Harris County Department of Education, retiring in December 1997. She also held the positions of Deputy Superintendent, Assistant Superintendent and other administrative positions within the school district.

Among her numerous accomplishments while serving as Assistant Superintendent, and then later as Superintendent, are:

- a) Established special schools, known as adaptive behavior centers, to serve the needs of emotionally disturbed students who cannot function in the regular public school classroom.
- b) Worked with the Harris County Commissioners' Court and other agencies to develop and fund a successful peer mediation program for the public schools of Harris County. Students are taught to deal with problems successfully before they erupt into violence.
- c) Established a model Alternative School, Highpoint, which serves students who are expelled from regular school because of their behavioral problems.

Clearly, Dr. Rose is highly experienced in working with at-risk populations. Dr. Rose will work with Dr. Karen Case, Superintendent of Dallas Can! Academy Charter School, to ensure that Texans Can!'s curriculum is uniform and fulfills the TEKS requirements of the State Board of Education. A meeting once a month will be scheduled between Dr. Rose and Dr. Case to discuss individual program enhancements and ideas for continual improvement of Texans Can!'s educational processes.

**Curriculum Specialist** – Curriculum Specialist, Dr. Katherine Knighten, has provided curriculum which covers all Texas Essential Knowledge and Skills for San Antonio Can! Academy Charter School.

Dr. Knighten is certified in five states. In Texas she is certified in Professional Mid-Management Administration, Professional Elementary and Professional High School (grades 7-12). In teaching she is professionally certified in Music, English and Social Studies. She is certified in Professional Supervision and holds a Gifted/Talented Endorsement and Early

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**Childhood Endorsement.** Dr. Knighten was Assistant Professor of Curriculum & Instruction at Mankato State University and Associate Professor of Curriculum and Instruction at Ball State University.

**Lead Teacher** - Must be certified, preferably with a master's degree. Ms. Cheri Warner, M.S., Director of Education for Texans Can!, will assist in screening, interviewing, hiring and training the Lead Teacher for San Antonio Can! Academy.

Ms. Warner has a Masters degree in secondary education and is certified in three states, including Texas. She has 24 years of teaching experience and has served as a member of the *North Central Accreditation Committee*. She has won numerous honors, including a District Honorary Award of Excellence, and was a participant in the United States/Japan Educational Initiative in 1994.

**Certified Teachers** - Must be experienced in teaching or working with at-risk populations. Must be certified for secondary education.

**Special Education Services** – San Antonio Can! Academy Charter School will contract with Education Technology Group (ETG) to provide special education program development and diagnostic services. ETG is supported by a State-certified special education staff. The program is administered by Ms. Carol Thorne who possesses a M.Ed. in Special Education and holds a Mid-Management Certification from the State of Texas. This team of specialists includes diagnosticians, teachers, and psychologists who insure that the school complies with all federal mandates.

**Other Teachers - Assistant Teachers** - Must be degreed, but do not need to be certified. Must have a desire to teach or work with at-risk populations.

**Teachers' Aides** - Degree not required, but must have a desire to teach or work with at-risk populations.

**Lead Counselor** - Preferably a Licensed Chemical Dependency Counselor (LCDC) with an M.S. in counseling or social work. Ms. Kathy Beasley, LCDC, the Dean of Students and Director of Counseling for Texans Can!, will assist in the screening, interviewing, hiring, training and oversight of the Lead Counselor for the San Antonio Can! Academy Charter School.

Ms. Beasley has a B. S. in Secondary Education and an M.S. in Counseling, Family Services. She is a Licensed Chemical Dependency Counselor (LCDC), a National Certified Addiction Counselor, Level 1, and a Certified Alcoholism and Drug Abuse Counselor (CADAC). Ms. Beasley has over 20 years of working with highly at-risk youth, including being a supervisor in the Dallas County Juvenile Detention Center and a therapist at Lena Pope home, a residential chemical dependency treatment program for disturbed children.

**Counselors** - Must be experienced in counseling or social work with at-risk populations. Preferably a Licensed Chemical Dependency Counselor (LCDC). At least one LCDC will be hired.

**Other Counselors/Social Workers** - A degree in counseling or social work, or substantial progress toward a LCDC license, is preferred. Other college degrees will be accepted if the employee is working toward a Masters in counseling or social work. Experience in counseling or social work with at-risk populations will be weighed heavily.

**Teaching philosophy** - The teaching philosophy is student-centered and may be summarized by: *"one size doesn't fit all."* The staff of Texans Can! is committed to the concept that **all students can learn**. However, students learn at different rates and in different ways. Students enroll with varying levels of competencies in math and reading comprehension ranging from 2nd to 12th grade. A standard, didactic, chalk and talk classroom has not proven effective in educating these at-risk students.

Many at-risk students are over aged for their academic skills level. They must not be placed in a classroom based on their age or length of time in the school system. Under no circumstances should students be placed in a curriculum or classroom at a level higher than their academic skills warrant. They must have access to a curriculum at their current skill level.

Our 12 years of experience in working with at-risk students has convinced Texans Can! that success in working with highly at-risk students demands a teaching pedagogy which can adjust to a wide range of academic skill levels, a wide range of learning rates, and diverse learning styles.

Texans Can! believes the best solution is an individual education plan (IEP) for all students – not just special education students. Whereas IEP's require additional time, effort and energy, they are necessary for the education of diverse student populations.

### **Staff Development Plan**

Texans Can! has 12 years of experience in implementing Staff Development Plans which support our goals for our students.

Professional development will be implemented in three phases. Phase One consists of orientation, awareness, and competencies. Phase Two is concerned with implementation and monitoring. Phase Three will include the evaluation of the process where plans are developed that identify additional training and/or changes to be made in the delivery process. Monies have been included in the budget to provide consultants/conferences for educational staff members. Topics that will be targeted include the following:

- A clear understanding of our first years goals (listed on page 2 of this application);
- Staff input on processes, procedures and additional program elements which will support and assist our students in obtaining our goals for the year;
- San Antonio Can! Academy Charter School Policies and Procedures;
- Modifications/Accommodations for Special Learning Needs;
- Electronic Curriculum/Internet;

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- Bilingual Education;
- Creating a Respectful Learning Environment.

**Criminal History Check - Texans Can! automatically runs a criminal history check and UA drug abuse screen on all potential employees.**

**(9) Describe how the following aspects of school support will be handled in the school:**

**(a) Budget Adoption** – San Antonio Can! Academy will use Texans Can!'s established procedure for annual budgeting. The following outline describes the budgeting procedure:

1. The Financial Director analyzes expenditures from the previous year.
2. The Financial Director and the Superintendent and staff discuss the facility and staffing requirements for the upcoming school year.
3. Staff reviews contractual obligations to determine appropriate expense levels in the budget.
4. The Financial Director prepares and presents a draft budget for review and comments to the Superintendent, the President, and all stakeholders including the Advisory Board and Site-based Management Team for review.
5. The draft budget incorporates comments and revisions. The Financial Director then presents the revised draft budget to the Charter School Board.
6. The revised draft budget is submitted to the accountants, Weaver and Tidwell, for review and comments. (See Section 9(c) for a review of the qualifications of Weaver and Tidwell, L.L.P.)
7. The revised draft budget is submitted to the legal counsel, Bracewell & Patterson, L.L.P., for review and comments. Bracewell & Patterson represent over 70 school districts throughout the state of Texas.
8. The revised draft budget and comments from Weaver and Tidwell and Bracewell & Patterson are submitted to the Charter School Board.
9. The final budget draft incorporates comments and revisions by the Charter School Board.
10. The Financial Director presents the final revised budget to the Charter School Board for approval.
11. The Charter School-approved budget is then submitted to the Texans Can! Board of Trustees for approval.

**(b) Budget Submission** - The proposed budget is in Attachment "D." Texans Can! has a long history of successful operation of its business office. In 12 years of Office of Management and Budget audits, auditors have never questioned or disallowed a cost.

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The Chief Operational Officer (COO) of San Antonio Can! Academy will be in charge of the San Antonio Can! Academy business office. An assistant will be hired to assist the COO. The accounting, bookkeeping, payroll, etc. will be done in the Texans Can! main office under the supervision of the Chief financial Officer, Mr. Mark Gilbert, CPA. Two employees on Mr. Gilbert's staff will also assist in meeting the business needs of San Antonio Can! Academy: Mr. Duke Burgess, CPA, and Ms. Gail Mitchell, Office and Facilities Manager.

A copy of Texans Can!'s last annual audit is included in Attachment "E." As the financial statements show, Texans Can! has assets of over \$1 million and an income for 1996-97 of almost \$4 million. The CPA estimates income for 1997-98 will be nearly \$7 million. This demonstrates that Texans Can! has the financial ability to insure the successful implementation of San Antonio Can! Academy Charter School by supplementing funds received from TEA.

**Fundraising Efforts** – Fundraising for the first year of start-up costs has already been provided by the Board of Trustees of Texans Can! The Board has set aside \$400,000 to cover the first – year fundraising costs.

In the future, San Antonio Can! Academy Charter School will follow the same policies and procedures for soliciting funds as prescribed by the Texas Can! Board of Directors. Fundraising will be addressed in the same fashion as those that have been approved in previous applications. The new charter school will respond to RFP's solicited by the State, as well as applications from private foundations, business, and industry that align with the vision of the school.

**(c) Annual Audits - Weaver and Tidwell, an independent public accounting firm, performs the annual audit of Texans Can! (see Attachment "E") and will perform the audit of the San Antonio Can! Academy Charter School. Weaver and Tidwell has extensive experience in auditing public school entities. They perform the annual audit for the following school districts:**

- Highland Park ISD
- Carrollton-Farmers Branch ISD
- Cedar Hill ISD
- Wiley ISD
- Birdville ISD
- Mesquite ISD
- Duncanville ISD
- Allen ISD
- Granbury ISD

Weaver and Tidwell will conduct the annual audit of the San Antonio Can! Academy in accordance with:

- Generally Accepted Accounting Principles (GAAP)
- *Government Auditing Standards*--a publication issued by the Comptroller General of the United States, and
- Provisions of the Office of Management and Budget Circular A-133 titled "*Audits of States, Local Governments and Non-Profit Organizations.*"

Such audits include both a financial and a programmatic audit. The audits will include an assessment of internal controls, compliance with laws and regulations, and specific requirements for all types of programs. The audit will also evaluate compliance with other governmental funding agencies, should San Antonio Can! Academy obtain funding from agencies such as the Texas Commission on Drug and Alcohol Abuse, the Texas Workforce Commission, U. S. Department of Labor and the San Antonio Housing Authority.

**(d) PEIMS Participation**

The San Antonio Can! Academy Charter School will collect and submit data for the Public Education Information Management System (PEIMS) in compliance with the Texas State Board of Education requirements. Data collection will include the following areas:

- student demographic and academic performance
- personnel
- financial
- organizational information.

The San Antonio Can! Academy Charter School will adhere to all formats and procedures outlined in the *Data Standards* and will contract with the Charter Resource Center of Texas for software, training, and services to obtain skills and competencies required for PEIMS data submission. Computer systems will be acquired that have the capacity to run the software and store the required information. All contractual agreements and equipment are reflected in the proposed budget. In addition, a PEIMS Coordinator and other appropriate school staff will be identified who will attend all training sessions provided by the Region XX Education Service Center.

Furthermore San Antonio Can! Academy Charter School will follow the required delivery schedules and record format in accordance to the Region XX ESC's specifications. Updated versions of the PEIMS EDITOR will be acquired and maintained on the designated equipment. All records will be stored in a secured environment to insure confidentiality of records and files. The Superintendent of the San Antonio Can! Academy Charter School will certify that the data submitted to the ESC is accurate and authentic.

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As mentioned previously, Texans Can!, through the Dallas Can! Academy Charter School, now has 2 years of experience in PEIMS submission. The PEIMS Coordinator of Dallas Can! Academy Charter School will train the PEIMS Coordinator of San Antonio Can! Academy Charter School.

(e) **Facilities**

San Antonio Can! Academy Charter School will be located at 600 S.W. 19<sup>th</sup>, San Antonio, Texas 78207. This facility is a part of the Boys & Girls Club of San Antonio and has over 5,000 square feet of space for classrooms. The facility use agreement has been attached in Attachment "B". This location is critical in that it is located in the Zip Code 78207 which is the area of greatest need in San Antonio reporting the highest number of at-risk youth and school dropouts. The quality of this facility and its location will greatly enhance the school's ability to accomplish the goal of recovering San Antonio's school dropouts and at-risk youth. **All facilities will meet health and safety codes as well as accommodations for handicapped individuals as described in the American Disabilities Act. The facility presently is approved by the city to meet all health and safety codes to conduct educational services.**

(f) **Transportation** – San Antonio Can! Academy Charter School will provide for the transportation needs of its students. The School will meet most transportation needs by purchasing bus passes from the San Antonio Metro bus system. San Antonio Can! Academy anticipates that a van will be purchased in the near future to supplement bus passes.

(g) **Food services** – San Antonio Can! Academy Charter School expects to have a considerable percentage of students who are economically disadvantaged. Consequently, the School will provide free and reduced-price lunches and breakfasts. Expenditures for contractual services are included in the proposed budget. Contract vendors will provide food services.

(10) **Draft of Board Policy re: PEG**

**TEXANS CAN!  
BOARD OF TRUSTEES**

**POLICY**

It shall be the official policy of all Charter Schools operated by Texans Can! that all students eligible for Public Education Grants (PEG) under Texas Education Code, Subchapter G, Chapter 29, who are otherwise eligible for enrollment, are to be accepted. Eligibility for Public Education Grants (PEG) shall not be a factor in the admission or denial of admission of any student.

This policy is to be administered by the Principals of the Charter Schools under the supervision of the Superintendents. It shall be the duty of the Principal to maintain an active list of PEG schools from the demographic area served and report transfers from these schools to the PEIMS Coordinator.



A copy of this policy is to be posted in all intake centers and included in all enrollment packets. Any parent who has questions relative to PEG grants is invited to contact the Texans Can! Ombudsman, Ms. Kathy Beasley, LCDC, 2601 Live Oak, Dallas, Texas 75203 (888-325-4226, a toll-free number).

NOTE: Dallas Can! Academy Charter School and Houston Can! Academy Charter School currently accept all PEG students who apply and are otherwise eligible for entrance.

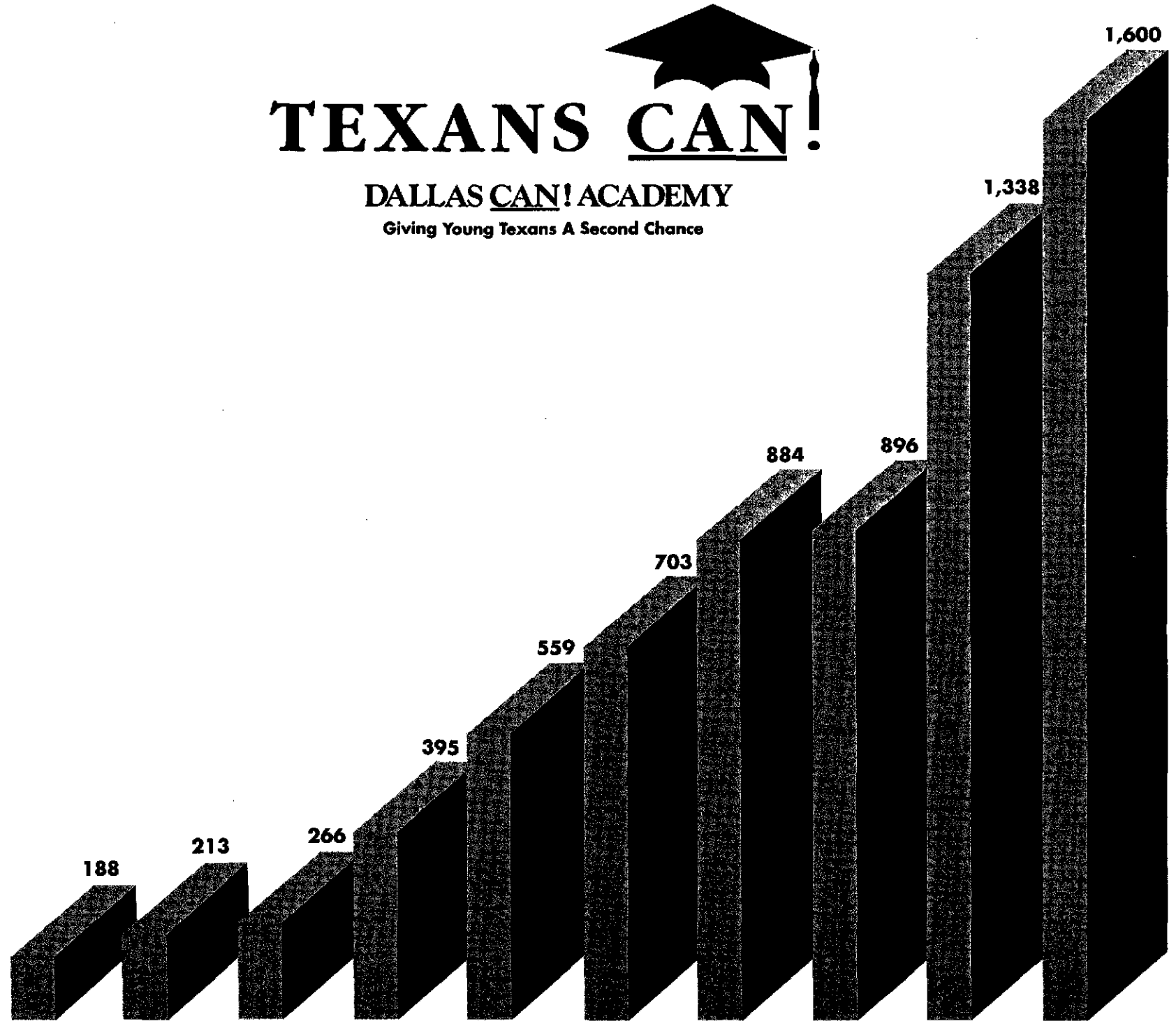
Students per year

1600  
1400  
1200  
1000  
800  
600  
400  
200



# TEXANS CAN!

DALLAS CAN! ACADEMY  
Giving Young Texans A Second Chance



APPLICATION



STATE OF TEXAS  
OFFICE OF THE GOVERNOR

GEORGE W. BUSH  
GOVERNOR

*November 4, 1996*

*Greetings to:*



*Congratulations on your graduation! As the first graduate from a charter school, you have blazed a trail and proved that Texas is wise to offer choices to our students.*

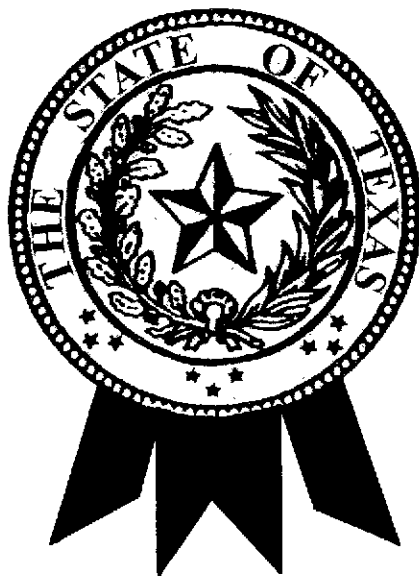
*I am proud that you recognized the importance of education and came back to school after dropping out. The diploma you received is a triumph of self discipline, determination and plain old hard work. You have set an example I hope many others will follow.*

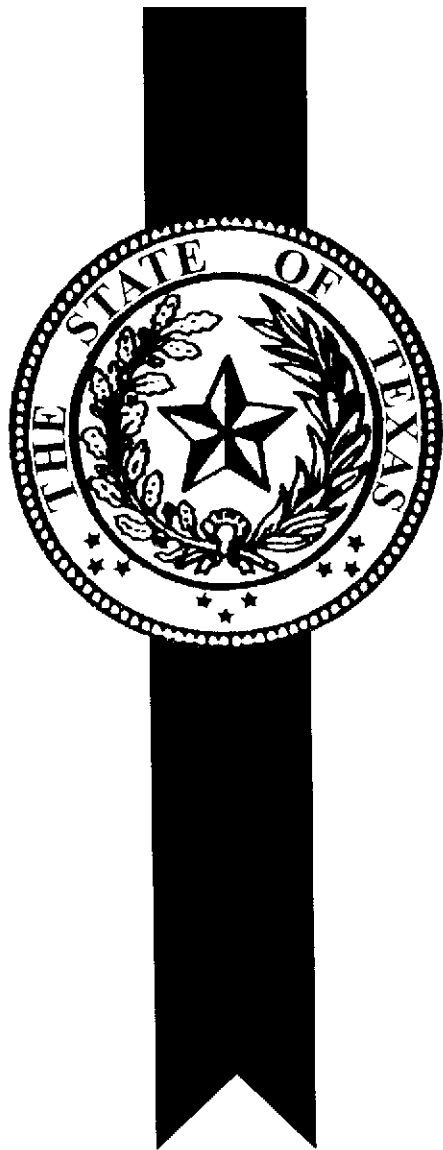
*I understand your next goal is to go to college and pursue a career in nursing. May God bless you as you pursue your dreams.*

*Sincerely,*

A handwritten signature in black ink, appearing to read "George W. Bush".

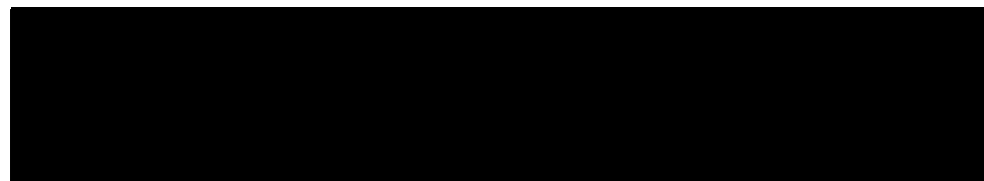
GEORGE W. BUSH





**The State Board of Education  
and The Texas Education Agency**

**Honor**



***“First Graduate of a Texas Charter School”***

**on this the 8th day of November 1996.**

A handwritten signature in cursive script, reading "Jack Christie".

\_\_\_\_\_  
Jack Christie, D.C.  
Chairman of the State Board of Education

A handwritten signature in cursive script, reading "Mike Moses".

\_\_\_\_\_  
Mike Moses  
Commissioner of Education

APPLICATION

OPEN-ENROLLMENT CHARTER SCHOOL  
FACILITIES LETTER OF INTENT

Lessor (Owner): Boys & Girls Clubs of San Antonio

Lessee (Tenant): Texans Can! (San Antonio Can! Academy)

Use: School

Premises: 600 S.W. 19<sup>th</sup>, San Antonio, Texas 78207  
Address

5,000  
Square footage

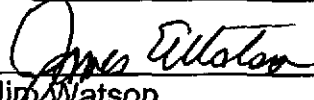
Terms of Lease: 5 years

Rental Amount: \$4 / sq ft / yr + utilities

Contingency: The terms of this letter of intent are contingent upon Texans Can! receiving a charter to operate an open-enrollment charter school from the State Board of Education by October 1, 1998.

Lessee:


Boys & Girls Clubs of San Antonio

By   
Jim Watson

Date: JULY 17, 1998

Lessor:

Texans Can! (San Antonio Can! Academy!)

By   
Grant East, President

Date: 7/21/98

**ATTACHMENT "C"**  
**LETTERS OF SUPPORT**  
**AND**  
**COMMUNITY SIGNATURES**

APPLICATION

CAPITOL OFFICE  
P.O. BOX 12068  
CAPITOL BUILDING  
AUSTIN, TEXAS 78711  
PHONE: 512/463-0102  
FAX: 512/463-7202  
TDD: 1-800-735-2989

COMMITTEES  
ECONOMIC DEVELOPMENT, *Vice Chair*  
INTERGOVERNMENTAL RELATIONS  
JURISPRUDENCE  
STATE AFFAIRS



DAVID CAIN  
STATE SENATOR

DISTRICT OFFICES  
6301 GASTON AVE., STE. 355  
DALLAS, TEXAS 75214  
PHONE: 214/826-0160  
FAX: 214/827-9506

2617 LEE STREET  
GREENVILLE, TEXAS 75401  
METRO: 903/450-9797  
METRO FAX: 903/450-9796

13387 HIGHWAY 69 NORTH  
TYLER, TEXAS 75706  
PHONE: 903/882-8661  
FAX: 903/882-3758

June 26, 1998

Dr. Jack Christie  
Chairman, State Board of Education  
Texas Education Agency  
1701 North Congress Avenue  
Austin, TX 78701-1494

Dear Dr. Christie,

I am writing to express my strong support for the Texas Can! program and its efforts to establish a public open enrollment charter school in San Antonio. Over the years, I have worked closely and had a successful association with the Dallas Can! Academy, a program of Texas Can! I cannot overstate the difference that the program has made in the lives of thousands of young people in the Dallas area.

Texas Can! has over a decade of experience in assisting troubled and at-risk youth in staying in school, attaining their GEDs, and providing a strong framework for them to succeed in continuing education and in the workplace. The program not only provides academic training, but also counseling, job training, and even *day care services to allow expelled and at-risk youths a chance at a good education and productive lives.*

Once again, I would like to express my unequivocal support for the Texas Can! program. It has improved thousands of lives in my district and in North Texas. I believe that Houston would greatly benefit from the establishment of a San Antonio Can! public open enrollment charter school.

Sincerely,

A handwritten signature in cursive script that reads "David Cain".

David H. Cain  
State Senator

DHC/ir

SENATOR FLORENCE SHAPIRO  
DISTRICT 8

COMMITTEES:

Criminal Justice, *Vice Chair*  
Nominations, *Vice Chair*  
Economic Development  
Intergovernmental Relations  
State Affairs



*The Senate of  
The State of Texas*

APPLICATION

DISTRICT OFFICES:

Parkway Centre I  
2901 Dallas Parkway, Suite 330  
Plano, Texas 75093  
(972) 378-3229

8117 Preston Road, Suite 687  
Dallas, Texas 75225  
(214) 363-5031

AUSTIN OFFICE:

P.O. Box 12068  
Austin, Texas 78711  
(512) 463-0108  
TDD 1-800-735-2989

June 30, 1998

Dr. Jack Christie  
State Board of Education  
Texas Education Agency  
1701 North Congress Avenue  
Austin, Texas 78701-1494

Dear Dr. Christie,

*Jack*

I am writing to you today to lend my full support to Texans CAN! Academy in its application to become a charter school in San Antonio. For the last twelve years Texans CAN! has operated a school in Dallas helping young people to receive an education and job training. They now want to bring their successful program to Houston to assist troubled teens.

As a [REDACTED], former school teacher, and member of the Texas Senate, I believe the quality of education to be one of the most vital issues facing our state. Providing the means for children to be productive should be our top priority.

Texans CAN! has been successful in breaking the cycle of illiteracy and economic dependency. Since its inception 6,500 students have graduated and gone to college or full-time jobs.

I support this nonprofit agency because I believe that they are committed to providing a positive environment for teenagers in which they can be motivated to learn and become productive participants in our society. I encourage you to do all you can to support the San Antonio CAN! Academy.

Very truly yours,

*Florence Shapiro*

FLORENCE SHAPIRO

FS/cc





In order to conceal student identifiable information, per FERPA (Family Educational Rights and Privacy Act), 24 pages have been withheld. A sample page of the withheld documents follows this notice.

For more information or to request a copy of these pages, please contact:

Texas Education Agency  
Division of Charter Schools  
1701 N Congress Ave  
Austin, TX 78701  
512-463-9575 phone  
512-463-9732 fax

PETITION

Application of Texans Can! for a San Antonio Can! Academy Public Open-Enrollment Charter School

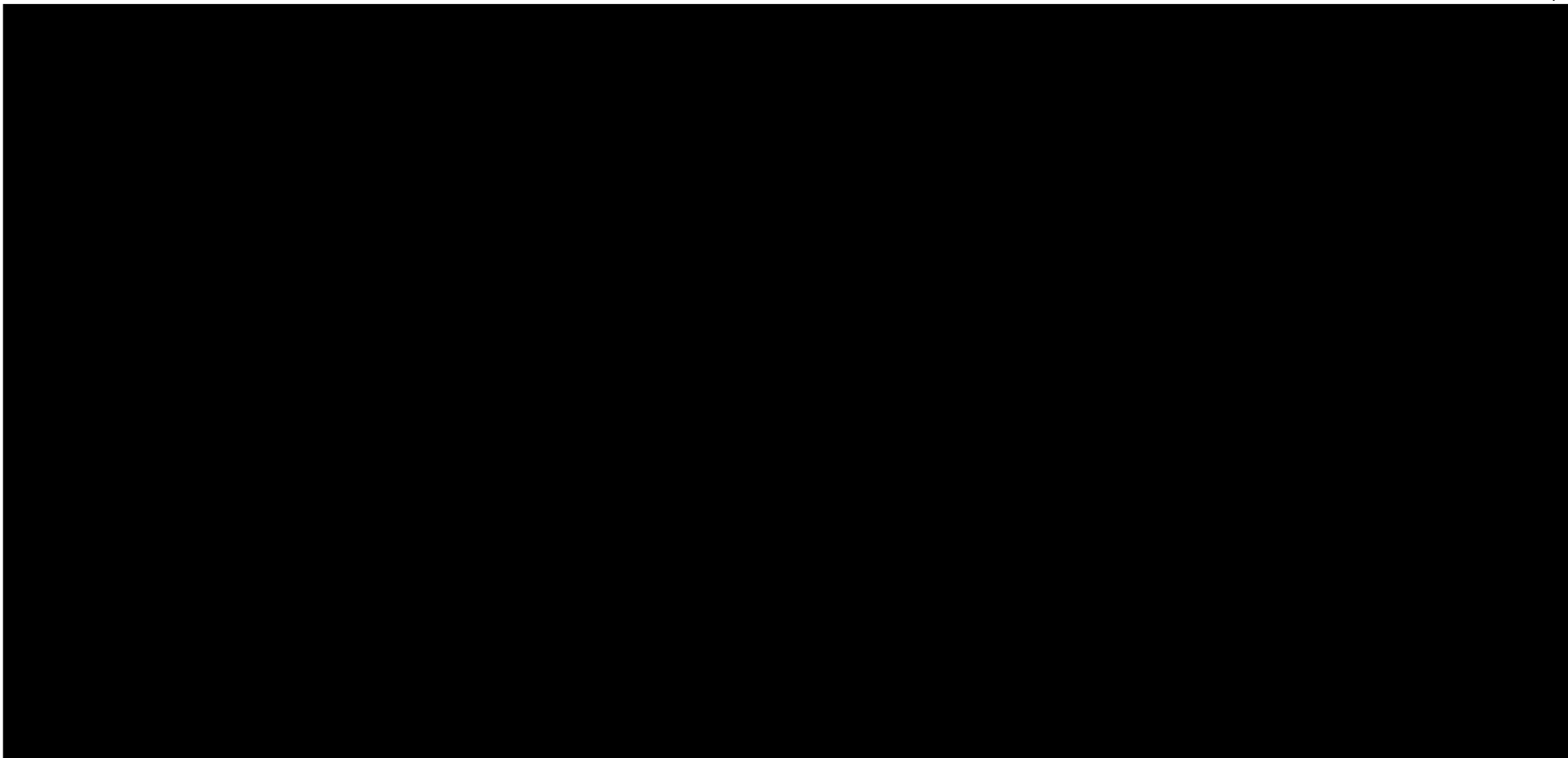
We, the undersigned parents or guardians of school-aged children within the proposed San Antonio Can! Academy service area, support the Texans Can! application to the Texas Education Agency for a San Antonio Can! Academy open-enrollment charter school:

PETICION

*Aplicación de Texans Can! para la Academia San Antonio Can! Publica Charter con inscripción abierta*

*Nosotros, los padres o responsables legales de niños de edad escolar, que vivimos en la zona propuesta para la academia de San Antonio Can! apoyamos a Texans Can! en su aplicación a la agencia de Educación de Texas para una academia San Antonio Can! charter con inscripción abierta:*

Print Name	Address	Phone Number	Signature
------------	---------	--------------	-----------



## Budget Worksheet for Charter Schools

Overview	Object Code	Total
Net Assets at Beginning of Year		<u>\$400,000</u>
Estimated Revenues:		
Local Sources		
State Sources	1,194,349	
Federal Sources	95,500	
Other Sources		
Total Estimated Revenues		<u>1,689,849</u>
Estimated Expenses:		
Payroll Costs	6100 <u>851,681</u>	
Professional and Contracted Services	6200 <u>357,888</u>	
Supplies and Materials	6300 <u>389,662</u>	
Other Operating Costs	6400 <u>90,618</u>	
Debt Expense	6500 <u>0</u>	
Total Estimated Expenses		<u>1,689,849</u>
Gains	7950 <u>          </u>	
Losses	8950 <u>          </u>	
Change in Net Assets		<u>0</u>
Net Assets at End of Year		<u>\$400,000</u>

**NOTE TO BUDGET:**

\$ 332,855 of the Supplies and Materials are one-time, start-up costs.

APPLICATION

Charter School Budget Categories  
 Expenses

	Function Code	Object Code	Total
<b>Instruction:</b>			
Payroll Costs	11	6100	<u>305,340</u>
Professional and Contracted Services		6200	<u>88,651</u>
Supplies and Materials		6300	<u>232,125</u>
Other Operating Costs		6400	<u>6,338</u>
Debt Expense		6500	
<b>Total</b>			<u>632,454</u>
<b>Instructional Resources and Media Services</b>			
Payroll Costs	12	6100	<u>          </u>
Professional and Contracted Services		6200	<u>          </u>
Supplies and Materials		6300	<u>15,000</u>
Other Operating Costs		6400	<u>          </u>
Debt Expense		6500	<u>          </u>
<b>Total</b>			<u>15,000</u>
<b>Curriculum Development and Instructional Staff Development:</b>			
Payroll Costs	13	6100	<u>          </u>
Professional and Contracted Services		6200	<u>47,077</u>
Supplies and Materials		6300	<u>5,000</u>
Other Operating Costs		6400	<u>15,000</u>
Debt Expense		6500	<u>          </u>
<b>Total</b>			<u>67,077</u>
<b>Instructional Leadership</b>			
Payroll Costs	21	6100	<u>32,715</u>
Professional and Contracted Services		6200	<u>          </u>
Supplies and Materials		6300	<u>700</u>
Other Operating Costs		6400	<u>10,000</u>
Debt Expense		6500	<u>          </u>
<b>Total</b>			<u>43,415</u>

APPLICATION

<b>School Leadership</b>			
Payroll Costs	23	6100	<u>130,860</u>
Professional and Contracted Services		6200	<u>6,300</u>
Supplies and Materials		6300	<u>26,500</u>
Other Operating Costs		6400	<u>5,600</u>
Debt Expense		6500	<u>        </u>
<b>Total</b>			<u>169,260</u>

::

<b>Guidance, Counseling and Evaluation Services</b>			
Payroll Costs	31	6100	<u>121,046</u>
Professional and Contracted Services		6200	<u>3,300</u>
Supplies and Materials		6300	<u>12,737</u>
Other Operating Costs		6400	<u>3,600</u>
Debt Expense		6500	<u>        </u>
<b>Total</b>			<u>140,683</u>

<b>Social Work Services: (Optional)</b>			
Payroll Costs	32	6100	<u>30,534</u>
Professional and Contracted Services		6200	<u>        </u>
Supplies and Materials		6300	<u>1,500</u>
Other Operating Costs		6400	<u>3,600</u>
Debt Expense		6500	<u>        </u>
<b>Total</b>			<u>35,634</u>

<b>Health Services:</b>			
Payroll Costs	33	6100	<u>15,267</u>
Professional and Contracted Services		6200	<u>        </u>
Supplies and Materials		6300	<u>1,200</u>
Other Operating Costs		6400	<u>        </u>
Debt Expense		6500	<u>        </u>
<b>Total</b>			<u>16,467</u>

<b>Student Transportation</b>			
Payroll Costs	34	6100	<u>        </u>
Professional and Contracted Services		6200	<u>        </u>
Supplies and Materials		6300	<u>        </u>
Other Operating Costs		6400	<u>25,000</u>
Debt Expense		6500	<u>        </u>
<b>Total</b>			<u>25,000</u>

APPLICATION

<b>Food Services: (Optional)</b>				
Payroll Costs	35	6100	<u>27,263</u>	
Professional and Contracted Services		6200		
			<u>90,000</u>	
Supplies and Materials		6300		
Other Operating Costs		6400		
Debt Expense		6500		
	<b>Total</b>			<u>117,263</u>
::				
<b>Co-curricular/Extracurricular Activities: (Optional)</b>				
Payroll Costs	36	6100		
Professional and Contracted Services		6200		
Supplies and Materials		6300	<u>1,200</u>	
Other Operating Costs		6400		
Debt Expense		6500		
	<b>Total</b>			<u>1,200</u>
<b>General Administration</b>				
Payroll Costs	41	6100	<u>128,679</u>	
Professional and Contracted Services		6200		
			<u>6,500</u>	
Supplies and Materials		6300	<u>6,300</u>	
Other Operating Costs		6400	<u>19,980</u>	
Debt Expense		6500		
	<b>Total</b>			<u>161,459</u>
<b>Plant Maintenance and Operations:</b>				
Payroll Costs	51	6100	<u>27,263</u>	
Professional and Contracted Services		6200		
			<u>110,400</u>	
Supplies and Materials		6300	<u>75,000</u>	
Other Operating Costs		6400	<u>1,500</u>	
Debt Expense		6500		
	<b>Total</b>			<u>214,163</u>
<b>Security and Monitoring Services: (Optional)</b>				
Payroll Costs	52	6100	<u>32,715</u>	
Professional and Contracted Services		6200		
			<u>360</u>	
Supplies and Materials		6300		
Other Operating Costs		6400		
Debt Expense		6500		
	<b>Total</b>			<u>33,075</u>

APPLICATION

<b>Data Processing Services:</b>			
Payroll Costs	53	6100	
Professional and Contracted Services		6200	
			3,400
Supplies and Materials		6300	1,200
Other Operating Costs		6400	
Debt Expense		6500	
Total			4,600

<b>Community Services: (Optional)</b>			
Payroll Costs	61	6100	
Professional and Contracted Services		6200	
			1,200
Supplies and Materials		6300	1,200
Other Operating Costs		6400	
Debt Expense		6500	
Total			1,200

<b>Funding Raising: (Optional)</b>			
Payroll Costs	81	6100	0
Professional and Contracted Services		6200	
			1,900
Supplies and Materials		6300	10,000
Other Operating Costs		6400	
Debt Expense		6500	
Total			11,900

<b>TOTAL EXPENSES (All Functions)</b>	<b>1,689,849</b>
---------------------------------------	------------------

# San Antonio Can! Academy

APPLICATION

## Budget Justification

### Net Assets at Beginning of Year:

The Board of Trustees of Texans Can!, the 501 (c) (3), nonprofit under which the San Antonio Can! Academy will operate has made a commitment of \$400,000 toward the establishment of the San Antonio Can! Academy.

### State Sources

State funding is calculated at a rate of \$3,957 for 200 students with 85% attendance. This funding is based on San Antonio ISD funding rate. State funding for Special Population funds have been estimated utilizing the TEA budget templates for Charter Schools. Each funding source is calculated at 70% eligibility.

### Federal Sources

Federal funding includes Title 1 funds, based on TEA funding estimates for Title 1 for the 1998-99 school year, Free and Reduced Lunch estimates, and available federal program funds.

### Object Code 6100

All object 6100 payroll costs include 6.6% for health insurance, 1.1% workers compensation, and 1.45% Medicare.

### Function Code 11: Instruction

Object Code 6100: Ten Teachers; substitute pay  
Object Code 6200: Special education services, copier and ISP  
Object Code 6300: Educational Supplies, desks, bookshelves, software, computers, and network systems  
Object Code 6400: Travel, per diem, and miscellaneous costs such as graduation expenses

### Function Code 12: Instructional Resources and Media

Object Code 6300: Library and media supplies

### Function Code 13: Curriculum Development and Instructional Staff

Object Code 6200: Contracted services for Professional Development  
Object Code 6300: Supplies for curriculum and professional development  
Object Code 6400: Subscriptions, travel, per diem, and conference fees

NOTE: Curriculum will be provided by Texans Can! to avoid duplication and continue the successful implementation that has been experienced by Dallas Can! Academy. The use of the existing curriculum has been deemed cost effective.



**Function Code 21: Instructional Leadership**

APPLICATION

Object Code 6100: Lead Teacher's salary  
Object Code 6300: Office supplies  
Object Code 6400: Travel, per diem, and conference fees

**Function Code 23: School Leadership**

Object Code 6100: Principal, PEIMS Coordinator, Director of Student Recruiting, Registrar  
Object Code 6200: Copier lease  
Object Code 6300: Office Furniture and Supplies, Computer systems Administrative Software, PEIMS Software, Forms, etc.  
Object Code 6400: Travel, per diem, and conference fees

**Function Code 31: Guidance, Counseling and Evaluation Services**

Object Code 6100: Lead Counselor, 1 testing coordinator, and 2 academic counselors  
Object Code 6200: Professional Services for Students  
Object Code 6300: Office furniture and supplies, computer systems, administrative software, testing materials  
Object Code 6400: Travel, per diem, and conference fees

**Function Code 32: Social Work Services**

Object Code 6100: Social Worker/Truant Officer  
Object Code 6300: Office furniture and supplies, computer systems, administrative software, testing materials  
Object Code 6400: Travel, per diem, and conference fees

**Function Code 33: Health Services**

Object Code 6100: Part time Nurse/counselor  
Object Code 6300: Office furniture and supplies

**Function Code 34: Student Transportation**

Object Code 6400: City bus passes @\$10 per month for 10 months for 250 students

**Function Code 35: Food Services**

Object Code 6100: Food Services Coordinator  
Object Code 6200: Contracted food services

**Function Code 36: Co-curricular/Extracurricular Activities (optional)**

Object Code 6300: Student Supplies and Materials

APPLICATION

**Function Code 41: General Administration**

- Object Code 6100: Chief Operating Officer, Superintendent, Administrative Assistant
- Object Code 6200: Board training and policy contracted services, Regional Service Center services, and financial audit
- Object Code 6300: Office furniture and supplies, computer systems, administrative software
- Object Code 6400: Insurance, travel, per diem, and conference fees

**Function Code 51: Plant Maintenance and Operations**

- Object Code 6100: Facilities Coordinator
- Object Code 6200: Housekeeping contract, utilities, and lease
- Object Code 6300: Classroom/facility renovations, network wiring and general supplies
- Object Code 6400: Other operating costs

**Function Code 52: Security and Monitoring Services**

- Object Code 6100: San Antonio police officer
- Object Code 6200: Security System monitoring

**Function Code 53: Data Processing**

- Object Code 6200: PEIMS Portal Software—Charter School Resource Center of Texas
- Object Code 6300: Supplies and Materials for Collection and Submission

**Function Code 61: Community Service**

- Object Code 6300: Supplies and Materials

**Function Code 81: Fund Raising**

- Object Code 6200: Contracted Graphic Services
- Object Code 6300: Marketing Supplies and Materials

INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
1100 COMMERCE STREET  
DALLAS, TX 75242-0000

DEPARTMENT OF THE TREASURY

Date: **APR 06 1993**

TEXANS CAN  
2601 LIVE OAK  
DALLAS, TX 75204

Employer Identification Number:  
75-2251099

Contact Person:  
SHARI FLOWERS

Contact Telephone Number:  
(214) 767-3526

Our Letter Dated:  
May 5, 1989

Addendum Applies:  
NO

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

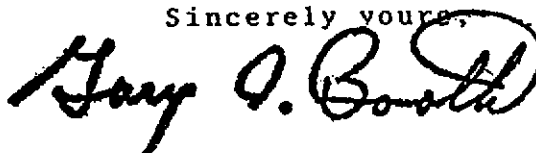
Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Gary G. Booth  
District Director

Form **1023**

(Rev. March 1986)

Department of the Treasury  
Internal Revenue Service

# Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

For Paperwork Reduction Act Notice, see page 1 of the instructions.

OMB No. 1545-0056  
Expires 3-31-89

To be filed in the key district  
for the area in which the  
organization has its principal  
office or place of business.

This application, when properly completed, constitutes the notice required under section 508(a) of the Internal Revenue Code so that an applicant may be treated as described in section 501(c)(3) of the Code, and the notice required under section 508(b) for an organization claiming not to be a private foundation within the meaning of section 509(a). (Read the instructions for each part carefully before making any entries.) If required information, a conformed copy of the organizing and operational documents, or financial data are not furnished, the application will not be considered on its merits and the organization will be notified accordingly. Do not file this application if the applicant has no organizing instrument (see Part II).

### Part I Identification

1 Full name of organization <b>Texans Can!</b>		2 Employer identification number (If none, see instructions) <b>75-2251099</b>	
3a Address (number and street) <b>4245 N. Central Expressway, Suite 430</b>		Check here if applying under section: <input type="checkbox"/> 501(e) <input type="checkbox"/> 501(f) <input type="checkbox"/> 501(k)	
3b City or town, state, and ZIP code <b>Dallas, TX 75205</b>		4 Name and telephone number of person to be contacted <b>Stephen Bato (214) 948-3411</b>	
5 Month the annual accounting period ends <b>December</b>	6 Date incorporated or formed <b>10-12-88</b>	7 Activity codes <b>029 059 566</b>	
8 Has the organization filed Federal income tax returns or exempt organization information returns? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," state the form number(s), years filed, and Internal Revenue office where filed.			

### Part II Type of Entity and Organizational Document (see instructions)

Check the applicable entity box below and attach a conformed copy of the organization's organizing document and bylaws as indicated for each entity.

Corporation—Articles of incorporation and bylaws.  Trust—Trust indenture.  Other—Constitution or articles of association and bylaws.

### Part III Activities and Operational Information

1 What are or will be the organization's sources of financial support? List in order of size.  
Approximately 60% of the financial support from grants of public funds, 30% from free-will offerings from the general public including individuals, corporations and foundations, and 10% from the sale of goods and services.

2 Describe the organization's fund-raising program, both actual and planned, and explain to what extent it has been put into effect. (Include details of fund-raising activities such as selective mailings, formation of fund-raising committees, use of professional fund raisers, etc.) Attach representative copies of solicitations for financial support.

We will receive free-will offerings from individuals and business interested in our work. We will apply for private, public and government grants. We will also publish a free newsletter to advise friends of the organization of the successes of the work as well as of the needs. We anticipate being the beneficiary of charity events such as banquets, auctions, golf tournaments. We will form a fund-raising committee of Board Members but do not expect to use professional fund raisers.

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and I have examined this application, including the accompanying statements, and to the best of my knowledge it is true, correct, and complete.

\_\_\_\_\_  
(Signature) \_\_\_\_\_ (the or authority of signer) \_\_\_\_\_ 075  
(Date)

**Part III** Activities and Operational Information (Continued)

3 Give a detailed narrative description of the organization's past, present, and proposed future activities, and the purposes for which it was formed. The narrative should identify the specific benefits, services, or products the organization has provided or will provide. If the organization is not fully operational, explain what stage of development its activities have reached, what further steps remain for it to become fully operational, and when such further steps will take place. (Do not state the purposes and activities of the organization in general terms or repeat the language of the organizational documents.) If the organization is a school, hospital, or medical research organization, include enough information in your description to clearly show that the organization meets the definition of that particular activity that is contained in the instructions for Part VI-A.

The primary purpose of Texans Can! is to break the cycle of failure in both youths and adults through intensive remedial education, life and coping skills training, vocational training and experience and substance abuse counseling, education and intervention.

The Primary Purpose shall specifically include:

1. An alternative academic school for both youths and adults. Either a day program or residential as deemed appropriate by the Board of Directors.
2. The development of labor groups and/or companies to gainfully employ such participants as selected by the staff, at such businesses and employment that might be obtained by the corporation and thereby increase the participants' vocational training and work experience.
3. The teaching of life, coping and independent living skills to enable the participants to live, solve problems and function effectively in our world.
4. Strategies and programs which will equip the participants with productive work disciplines, attitudes, job training and experience. Such programs shall include locating and assisting participants in obtaining jobs if the staff should deem it appropriate and beneficial for the participant.
5. Alcohol and Drug Abuse education, intervention and counseling. The corporation may also open and operate a residential treatment program as deemed appropriate by the Board of Directors.
6. The corporation shall permit scheduling community speakers and field trips to business, educational, and cultural resources and other such trips the staff should deem beneficial and appropriate for the participants.

4 The membership of the organization's governing body is:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
See attachment for list	

APPLICATION

The initial Board of Directors consists of:

Mrs. Garlen Chase  
Investments  
3435 Mockingbird Lane  
Dallas, Texas 75205

Mrs. Suzanne Harrington  
Realtor, Abio & Adleta Realtors  
11 Grovenor Court  
Dallas, Texas 75225

G. Mark Cullum  
Vice President and Comptroller  
Productions  
Cullum Construction Co.  
4020 Bryn Mawr Drive  
Dallas, Texas 75225

Kenneth H. Heckmann  
President, Ken Heckmann  
2700 Stanford  
Dallas, Texas 75248

Mrs. Carolyn East  
Freedom Ministries  
4822 Abbott  
Dallas, Texas 75205

Dr. Tom M. McDougal  
Dentist, Private Practice  
6004 Twin Coves  
Dallas, Texas 75248

Grant East  
Freedom Ministries  
4245 N. Central Suite 430  
Dallas, Texas 75205

Marvin L. Taylor  
Investments  
3701 Wedgway  
Fort Worth, Texas 76133

John K. England  
Attorney at Law  
11106 Snow White  
Dallas, Texas 75229

William Pieper  
4331 Newton Court  
Dallas, Texas 75219

The Officers of the Corporation are as follows:

President	Grant East
Vice President	Kenneth Heckmann
Secretary	John England
Treasurer	G. Mark Cullum

Persons receiving a salary (name, position, yearly compensation)

Grant East, President, \$56,000

**III Activities and Operational Information (Continued)**

**APPLICATION**

Any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?  Yes  No  
If "Yes," name those persons and explain the basis of their selection or appointment.

Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons?" (See the Specific Instructions for line 4d.)  Yes  No  
If "Yes," explain.

Have any members of the organization's governing body assigned income or assets to the organization, or is it anticipated that any current or future member of the governing body will assign income or assets to the organization?  Yes  No  
If "Yes," attach a complete explanation stating which applies and including copies of any assignments plus a list of items assigned.

Does the organization control or is it controlled by any other organization?  Yes  No  
Is the organization the outgrowth of another organization, or does it have a special relationship to another organization by reason of interlocking directorates or other factors?  Yes  No  
If either of these questions is answered "Yes," explain. The Dallas Can! program was begun by Freedom Ministries, a 501(c)(3) non-profit organization. The Dallas Can! operation being separated from Freedom Ministries and will be operated by Texans Can! The same board will operate both non-profit organizations.

Is the organization financially accountable to any other organization?  Yes  No  
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken.  
NONE AT THIS TIME

To what extent have you used, or do you plan to use, contributions as an endowment fund, i.e., hold contributions to produce income for the support of your exempt activities? We do not and do not intend to use any contributions as an endowment fund to produce income.

Will any of the organization's facilities be managed by another organization or individual under a contractual agreement?  Yes  No  
If "Yes," attach a copy of each contract and explain the relationship between the applicant and each of the other parties.

**Part III** Activities and Operational Information (Continued)

APPLICATION

9 a Have the recipients been required or will they be required to pay for the organization's benefits, services, or products?  Yes  No  
If "Yes," explain and show how the charges are determined.

b Does or will the organization limit its benefits, services, or products to specific classes of individuals?  Yes  No  
If "Yes," explain how the recipients or beneficiaries are or will be selected.

10 Is the organization a membership organization?  Yes  No  
If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues.

There are no membership dues or fees.

b Describe your present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.  
We have no literature or promotional material. People come as they are led by the Holy Spirit.

c Are benefits, services, or products limited to members?  Yes  No  
If "No," explain.

All benefits, services, and products are available to the public.

11 Does or will the organization engage in activities tending to influence legislation or intervene in any way in political campaigns?  Yes  No  
If "Yes," explain. (Note: You may wish to file Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation.)

12 Does the organization have a pension plan for employees?  Yes  No

13 a Are you filing Form 1023 within 15 months from the end of the month in which you were created or formed as required by section 508(a) and the related regulations? (See General Instructions.)  Yes  No

b If you answer "No," to 13a and you claim that you fit an exception to the notice requirements under section 508(a), attach an explanation of your basis for the claimed exception.

c If you answer "No," to 13a and section 508(a) does apply to you, you may be eligible for relief under regulations section 1.9100 from the application of section 508(a). Do you wish to request relief?  Yes  No

d If you answer "Yes," to 13c, attach a detailed statement that satisfies the requirements of Rev. Proc. 79-63.

e If you answer "No," to both 13a and 13c and section 508(a) does apply to you, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date you were formed (see instructions)?  Yes  No

**Part IV** Statement as to Private Foundation Status (see instructions)

1 Is the organization a private foundation?  Yes  No

2 If you answer "Yes," to question 1 and the organization claims to be a private operating foundation, check here  and complete Part VII.

3 If you answer "No," to question 1, indicate the type of ruling you are requesting regarding the organization's status under section 509 by checking the box(es) below that apply:

a Definitive ruling under section 509(a)(1), (2), (3), or (4)  Complete Part VI.

b Advance ruling under  sections 509(a)(1) and 170(b)(1)(A)(vi) or  section 509(a)(2)—see instructions.

(Note: If you want an advance ruling, you must complete and attach two Forms 872-C to the application.)



**Part V Financial Data**

**APPLICATION**

Statement of Support, Revenue, and Expenses for the period beginning \_\_\_\_\_, 19 \_\_\_\_\_, and ending \_\_\_\_\_, 19 \_\_\_\_\_.

Instructions: Complete the financial statements for the current year and for each of the three years immediately before it. If in existence less than one year, complete the statements for each year in existence. If in existence less than one year, also provide proposed budgets for the two years following the current year.

1	Gross contributions, gifts, grants, and similar amounts received . . . . .	1	
2	Gross dues and assessments of members . . . . .	2	
3 a	Gross amounts derived from activities related to organization's exempt purpose (attach schedule) . . . . .		
b	Minus cost of sales . . . . .	3c	
4 a	Gross amounts from unrelated business activities (attach schedule) . . . . .		
b	Minus cost of sales . . . . .	4c	
5 a	Gross amount received from sale of assets, excluding inventory items (attach schedule) . . . . .		
b	Minus cost or other basis and sales expenses of assets sold . . . . .	5c	
6	Investment income (see instructions) . . . . .	6	
7	Other revenue (attach schedule) . . . . .	7	
8	<b>Total support and revenue</b> . . . . .	8	
9	<b>Fundraising expenses</b> . . . . .	9	
10	Contributions, gifts, grants, and similar amounts paid (attach schedule) . . . . .	10	
11	Disbursements to or for benefit of members (attach schedule) . . . . .	11	
12	Compensation of officers, directors, and trustees (attach schedule) . . . . .	12	
13	Other salaries and wages . . . . .	13	
14	Interest . . . . .	14	
15	Rent . . . . .	15	
16	Depreciation and depletion . . . . .	16	
	Other (attach schedule) . . . . .	17	
17	<b>Total expenses</b> . . . . .	18	
18	<b>Excess of support and revenue over expenses (line 8 minus line 18)</b> . . . . .	19	

**Balance Sheet**  
(at the end of the period shown above)

<b>Assets</b>		
20	Cash: a Interest bearing accounts . . . . .	20a
	b Other . . . . .	20b
21	Accounts receivable, net . . . . .	21
22	Inventories . . . . .	22
23	Bonds and notes (attach schedule) . . . . .	23
24	Corporate stocks (attach schedule) . . . . .	24
25	Mortgage loans (attach schedule) . . . . .	25
26	Other investments (attach schedule) . . . . .	26
27	Depreciable and depletable assets (attach schedule) . . . . .	27
28	Land . . . . .	28
29	Other assets (attach schedule) . . . . .	29
30	<b>Total assets</b> . . . . .	30
<b>Liabilities</b>		
31	Accounts payable . . . . .	31
32	Contributions, gifts, grants, etc., payable . . . . .	32
33	Mortgages and notes payable (attach schedule) . . . . .	33
34	Other liabilities (attach schedule) . . . . .	34
35	<b>Total liabilities</b> . . . . .	35
<b>Fund Balances or Net Worth</b>		
36	<b>Total fund balances or net worth</b> . . . . .	36
37	<b>Total liabilities and fund balances or net worth (line 35 plus line 36)</b> . . . . .	37

If there has been any substantial change in any aspect of your financial activities since the period shown above ended, check the box and attach a detailed explanation

**VI Non-Private Foundation Status (Definitive ruling only)**

**Basis for Non-Private Foundation Status (Check one of the boxes below.)**

**APPLICATION**

The organization is not a private foundation because it qualifies as:

<input type="checkbox"/>	Kind of organization	Within the meaning of	Complete
	a church or a convention or association of churches	Sections 509(a)(1) and 170(b)(1)(A)(i)	
	a school	Sections 509(a)(1) and 170(b)(1)(A)(ii)	
	a hospital or a cooperative hospital service organization or a medical research organization operated in conjunction with a hospital	Sections 509(a)(1) and 170(b)(1)(A)(iii)	
	a governmental unit described in section 170(c)(1)	Sections 509(a)(1) and 170(b)(1)(A)(v)	
	being organized and operated exclusively for testing for public safety	Section 509(a)(4)	
	being operated for the benefit of a college or university that is owned or operated by a governmental unit	Sections 509(a)(1) and 170(b)(1)(A)(iv)	Part VI.—B
<input checked="" type="checkbox"/>	normally receiving a substantial part of its support from a governmental unit or from the general public	Sections 509(a)(1) and 170(b)(1)(A)(vi)	Part VI.—B
	normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions)	Section 509(a)(2)	Part VI.—B
	being operated solely for the benefit of or in connection with one or more of the organizations described in 1 through 4, or 6, 7, and 8 above	Section 509(a)(3)	Part VI.—C

**-Analysis of Financial Support (Complete if you checked box 6, 7, or 8 above.)**

	(a) Most recent tax year	(Years next preceding most recent tax year)			(e) Total
	19 .....	(b) 19 .....	(c) 19 .....	(d) 19 .....	
Gifts, grants, and contributions received					
Membership fees received					
Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513					
Gross investment income (see instructions for definition)					
Net income from organization's unrelated business activities not included on line 4	New organization - not applicable				
Tax revenues levied for and either paid to or spent on behalf of the organization					
Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
Other income (not including gain or loss from sale of capital assets)—attach schedule					
Sum of lines 1 through 8					
Less: Line 3					
Enter 2% of line 10, column (e) only					

If the organization has received any unusual grants during any of the above tax years, attach a list for each year showing the name of the contributor, the date and amount of grant, and a brief description of the nature of such grant. Do not include such grants on line 10 above—(See instructions).

APPLICATION

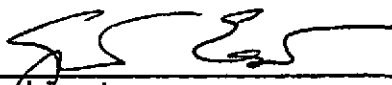
TO WHOM IT MAY CONCERN:

The salaries, wages together with any present and future benefits paid to the corporation's employees, directors now and in the future will not exceed a value which is reasonable and commensurate with the duties and working hours associated with such employment and with the compensation ordinarily paid to persons with similar positions or duties.

DATED: 12-30-84

Texans Can!

\_\_\_\_\_  
Organization's Name

By   
\_\_\_\_\_  
President

PIR #15646 – Mima P Hernandez

**\*990 FORM\***

**PAGES 60-75 =16 PAGES**

UNDER SECTION 6103 & 6104 OF U.S. CODE TITLE 26

16 PAGES HAVE BEEN WITHHELD

**TEXANS CAN!**

**List of Officers**

**Ken H. Heckmann, Chairman**

President  
Ken Heckmann Productions  
2700 Stanford  
Dallas, Texas 75225  
214-368-4735      FAX: 214-368-4736

**Frank Breedlove, Vice Chairman**

Community Volunteer  
1718 Bar Harbor Drive  
Dallas, Texas 75232  
214-371-1584      FAX: 214-371-3731

**Grant East, President**

President  
Dallas Can! Academy  
2601 Live Oak  
Dallas, Texas 75204  
214-824-4226      FAX: 214-821-8735

**Francisca Rizo, Secretary**

President  
Rizo & Associates  
P. O. Box 226774  
Dallas, Texas 75222  
214-941-0012      FAX: 214-941-0028

**TEXANS CAN! BOARD OF TRUSTEES**

**Mr. Ken Heckmann**

President  
Ken Heckmann Productions  
2700 Stanford  
Dallas, Texas 75225  
214-368-4735 FAX: 214-368-4736

**Mr. Kevin Acosta**

Director of Community Outreach  
Communications Department  
Dallas Public Schools  
3700 Ross Avenue  
Dallas, Texas 75204  
214-989-8325 FAX 214-989-8801

**Dr. Robert Aguero**

Vice Chancellor of Educational Affairs  
Dallas County Community College District  
701 Elm Street, Room 200  
Dallas, Texas 75202-3299  
214-860-2129 FAX: 214-860-2039

**The Honorable Steve Bartlett**

Chairman of the Board  
Meridian Products Corporation  
14005 Stemmons Freeway  
Dallas, Texas 75234  
972-484-7300 FAX: 972-484-7302

**Mr. Frank Breedlove**

Community Volunteer  
1718 Bar Harbor Drive  
Dallas, Texas 75232  
214-371-1584 FAX: 214-371-3731

**Ms. Susan Cole**

Partner  
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1999 Bryan Street, Suite 3000  
Dallas, Texas 75201  
214-754-5143 FAX: 214-754-5058

**Ms. Joy Frederick**

Account Director  
The Richards Group  
8750 North Central Expressway, Suite 1200  
Dallas, Texas 75231-6437  
214-891-2854 FAX: 214-891-2826

**Dr. Mamie McKnight**

2470 West Five Mile Parkway  
Dallas, Texas 75233  
214-333-0983 FAX: 214-337-8575

**Mr. Jethro Pugh**

President  
Gifts, Inc.  
5616 Gaston Avenue  
Dallas, Texas 75214  
214-828-4097 FAX: 214-821-0349

**Mrs. Francisca Rizo**

President  
Rizo & Associates  
P. O. Box 226774  
Dallas, Texas 75222  
214-941-0012 FAX: 214-941-0028

**Mr. William Velasco II**

President  
Velasco and Associates  
1106 West Jefferson Blvd.  
Dallas, Texas 75208  
214-946-4549 FAX: 214-946-4551

**Rev. S. M. Wright II**

Chairman and Chief Executive Officer  
MEC Office Supplies  
100 North Central Expressway, Suite 820  
Dallas, Texas 75201  
214-651-7677 FAX: 214-651-7040

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APPLICATION



**WEAVER  
AND  
TIDWELL**

L.L.P.

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

12221 Merit Drive  
Suite 1700  
Dallas, Texas 75251  
972.490.1970  
972.702.8321

**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors  
Texans Can!  
Dallas, Texas**

We have audited the accompanying statement of financial position of Texans Can! (a nonprofit corporation) as of June 30, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of Texans Can!'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texans Can! at June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 26, 1997 on our consideration of Texans Can!'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

  
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
August 26, 1997

647

FORT WORTH OFFICE

307 West Seventh Street  
Suite 1500  
Fort Worth, Texas 76102

WORLDWIDE AFFILIATIONS  
THROUGH  
SUMMIT INTERNATIONAL  
ASSOCIATES, INC.



**TEXANS CAN!**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 1997**

ATTACHMENT "E"  
**Texans Can! Audit**  
 Page 3 of 21

APPLICATION

	<u>The Academy</u>	<u>The Foundation</u>	<u>Print Shop</u>	<u>Charter School</u>	<u>Total</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 327,423	\$ 32,967	\$	\$ 41,726	\$ 402,116
Investments	35,168				35,168
Pledge receivable	5,000				5,000
Special event receivable	125,000				125,000
Due from grantors	79,494			144,301	223,795
Due from (to) other funds	120,193			( 120,193)	
Other current assets	<u>71,503</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>71,503</u>
<b>Total current assets</b>	<u>763,781</u>	<u>32,967</u>	<u>          </u>	<u>65,834</u>	<u>862,582</u>
<b>Pledge receivable noncurrent</b>	<u>10,000</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>10,000</u>
<b>Property and equipment</b>	648,832			49,519	698,351
<b>Accumulated depreciation</b>	<u>387,885</u>	<u>          </u>	<u>          </u>	<u>2,564</u>	<u>390,449</u>
	<u>260,947</u>	<u>          </u>	<u>          </u>	<u>46,955</u>	<u>307,902</u>
<b>Other assets</b>	<u>12,238</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>12,238</u>
<b>TOTAL ASSETS</b>	<u>\$1,046,966</u>	<u>\$ 32,967</u>	<u>\$</u>	<u>\$112,789</u>	<u>\$1,192,722</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Accounts payable					
Contribution plan payable	\$ 171,727	\$	\$	\$	\$ 171,727
Other accrued expenses	<u>47,096</u>	<u>          </u>	<u>          </u>	<u>6,898</u>	<u>53,994</u>
<b>Total current liabilities</b>	218,823			6,898	225,721
<b>Net Assets</b>					
Unrestricted	813,143	32,967		105,891	952,001
Temporarily restricted	<u>15,000</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>15,000</u>
	<u>828,143</u>	<u>32,967</u>	<u>          </u>	<u>105,891</u>	<u>967,001</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$1,046,966</u>	<u>\$ 32,967</u>	<u>\$</u>	<u>\$112,789</u>	<u>\$1,192,722</u>

The Notes to Financial Statements are  
 an integral part of this statement.

TEXANS CAN!  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 1997

APPLICATION

	<u>The Academy</u>	<u>The Foundation</u>	<u>Print Shop</u>	<u>Charter School</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>					
Public support					
Contributions	\$ 196,558	\$	\$	\$ 132,286	\$ 328,844
Program income	<u>37,690</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>37,690</u>
Public support	<u>234,248</u>	<u>          </u>	<u>          </u>	<u>132,286</u>	<u>366,534</u>
Special events					
Revenue	2,023,249				2,023,249
Direct costs	<u>867,058</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>867,058</u>
Net revenues of special events	<u>1,156,191</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>1,156,191</u>
Federal and state financial assistance					
Dallas County Local Workforce Development Bond	1,279,908				1,279,908
Texas Commission on Alcohol and Drug Abuse	6,741				6,741
Texas Employment Commission	73,182				73,182
U. S. Dept. of Education				43,454	43,454
Texas Education Agency				<u>931,421</u>	<u>931,421</u>
Federal and state financial assistance	<u>1,359,831</u>	<u>          </u>	<u>          </u>	<u>974,875</u>	<u>2,334,706</u>
Printing revenue, net of direct costs of \$4,461			<u>300</u>		<u>300</u>
Other revenue	<u>77,388</u>	<u>3,098</u>		<u>1,804</u>	<u>82,290</u>
Total revenue and other support	<u>2,827,658</u>	<u>3,098</u>	<u>300</u>	<u>1,108,965</u>	<u>3,940,021</u>
<b>EXPENSES</b>					
Program services					
Academy	1,945,764				1,945,764
Charter School				<u>1,103,607</u>	<u>1,103,607</u>
Total program services	<u>1,945,764</u>	<u>          </u>	<u>          </u>	<u>1,103,607</u>	<u>3,049,371</u>

The Notes to Financial Statements are an integral part of this statement.

**TEXANS CAN!**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 1997**  
 (continued)

APPLICATION

	<u>The Academy</u>	<u>The Foundation</u>	<u>Print Shop</u>	<u>Charter School</u>	<u>Total</u>
<b>EXPENSES - (continued)</b>					
Supporting services					
General administration	\$ 400,064	\$	\$	\$	\$ 400,064
Fund raising	<u>191,903</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>191,903</u>
Total support services	<u>591,967</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>591,967</u>
Print shop	<u>          </u>	<u>          </u>	<u>35,041</u>	<u>          </u>	<u>35,041</u>
Total expenses	<u>2,537,731</u>	<u>          </u>	<u>35,041</u>	<u>1,103,607</u>	<u>3,676,379</u>
Change in net assets	289,927	3,098	( 34,741)	5,358	263,642
Net assets at beginning of year	780,284	102,282	( 179,207)		703,359
Transfer of funds	( 28,120)	( 72,413)		100,533	
Forgiveness of debt	( 213,948)	<u>          </u>	<u>213,948</u>	<u>          </u>	<u>          </u>
Net assets at end of year	<u>\$ 828,143</u>	<u>\$ 32,967</u>	<u>\$</u>	<u>\$ 105,891</u>	<u>\$ 967,001</u>

TEXANS CAN!  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 1997

APPLICATION

	<u>The Academy</u>	<u>The Foundation</u>	<u>Print Shop</u>	<u>Charter School</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in net assets	\$ 289,927	\$ 3,098	(\$ 34,741)	\$ 5,358	\$ 263,642
Adjustments to reconcile change in net assets to net cash provided by operating activities:					
Appreciation or donation of marketable securities	( 13,454)				( 13,454)
Depreciation	57,688		2,988	2,564	63,240
Loss on disposal of equipment	850		29,168		30,018
(Increase) decrease in assets					
Due from others			32,380		32,380
Due from grantor	( 9,303)			( 144,301)	( 153,604)
Due from (to) other funds	( 149,677)	50,000	( 20,517)	120,194	
Pledges receivable	5,000				5,000
Other assets	( 144,211)		1,330		( 142,881)
Increase (decrease) in liabilities					
Accounts payable	( 18,700)		( 2,660)		( 21,360)
Other accrued expenses	17,439		( 757)	6,897	23,579
Deferred benefit plan payable	<u>57,539</u>				<u>57,539</u>
Net cash provided by (used in) operating activities	<u>93,098</u>	<u>53,098</u>	<u>7,191</u>	<u>( 9,288)</u>	<u>144,099</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property and equipment	<u>( 171,927)</u>			<u>( 49,519)</u>	<u>( 221,446)</u>

TEXANS CAN!  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 1997  
 (continued)

APPLICATION

	<u>The Academy</u>	<u>The Foundation</u>	<u>Print Shop</u>	<u>Charter School</u>	<u>Total</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Principal payments under capital leases obligation	\$	\$	(\$ 20,942)	\$	(\$ 20,942)
Transfer of funds	( 28,120)	( 72,413)		100,533	
Net cash provided by (used in) financing activities	( 28,120)	( 72,413)	( 20,942)	100,533	( 20,942)
Net increase (decrease) in cash and cash equivalents	( 106,949)	( 19,315)	( 13,751)	41,726	( 98,289)
 <b>BEGINNING CASH AND CASH EQUIVALENTS</b>	 <u>434,372</u>	 <u>52,282</u>	 <u>13,751</u>	 <u></u>	 <u>500,405</u>
 <b>ENDING CASH AND CASH EQUIVALENTS</b>	 <u>\$ 327,423</u>	 <u>\$ 32,967</u>	 <u>\$</u>	 <u>\$ 41,726</u>	 <u>\$ 402,116</u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>					
Interest paid	<u>\$ 4,056</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 4,056</u>

TEXANS CAN!  
NOTES TO FINANCIAL STATEMENTS

APPLICATION

Note 1. Organization

Texans Can! (the Corporation) is a nonprofit Texas corporation formed in 1988. The Corporation conducts its operations under the name of Dallas Can! Dallas Can! was formed in July 1985 to aid adjudicated juveniles in the Dallas community. The program was expanded to include dropouts, truants, predelinquents and drug-involved youths. This program provides remedial education, specialized academic opportunities, life and coping skills, prevocational training, practical job training, and placement, with continual job retention encouragement. Community volunteers are selected as tutors, teachers, guest speakers, role models, counselors and friends.

The Corporation has operated a print shop since April 1991 dba Dallas Can! Printing and Graphic Arts (the Print Shop). The Print Shop provides professional printing and graphic services and offers the Corporation's students free training in this field. In June 1996, the Board of Trustees unanimously passed a proposal to close down the Print Shop. During the year ended June 30, 1997, all assets and liabilities were liquidated.

The Corporation established a foundation (the Foundation) in June 1996 to aid in the accumulation of long-term financing for Dallas Can! programs.

The Corporation has established a charter school which was approved by the Texas State Board of Education in April 1996. The charter school began operating in September 1996 to provide instruction to students at the high school grade level.

Public support - contributions include \$47,271 from individual donors and \$281,573 from private foundations, other non-profit organizations, and corporations for the year ended June 30, 1997.

The Corporation is the recipient of funds under grant contracts from the Texas Commission on Alcohol and Drug Abuse for substance abuse prevention and education, Dallas County Local Workforce Development Board, the Texas Employment Commission and the Texas Workforce Commission for General Education Development (GED) preparation and education remediation.

Note 2. Significant Accounting Policies

Basis of Accounting

The Corporation accounts for all transactions on the accrual method of accounting for year end reporting purposes.

Financial Statement Presentation

The Corporation adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted; temporarily restricted; and permanently restricted. In addition, the Corporation is required to present a statement of cash flows.

TEXANS CAN!  
NOTES TO FINANCIAL STATEMENTS

APPLICATION

Note 2. Significant Accounting Policies - continued

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

**Donated Services and Assets**

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

**Marketable Securities**

The Corporation has adopted SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations* and, accordingly, has recorded investments in equity securities with readily determinable fair values at fair market value. The market value of marketable securities at June 30, 1997 was \$35,168 with an original cost of \$22,433. Marketable securities are included with other investments on the statement of financial position.

**Property and Equipment**

Property and equipment are recorded at cost, except for donated equipment, which is recorded at the estimated value on the date of receipt. Property and equipment are depreciated using the straight-line method over the assets estimated useful lives.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Corporation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fair Value of Financial Instruments**

The carrying values of financial instruments reported on the Company's statement of financial position approximate fair value.

APPLICATION

**Note 3. Property and Equipment**

The Corporation maintains property and equipment to be used to carry on the daily operations of Dallas Can!, the print shop and the charter school. All property and equipment are depreciated over the assets' estimated useful lives. Depreciation expense for the year ended June 30, 1997 was \$63,240.

Major classes of property and equipment are as follows:

Computers and equipment	\$504,013
Building	77,412
Leasehold improvements	111,292
Vehicles	<u>5,634</u>
	698,351
Accumulated depreciation	<u>390,449</u>
	<u>\$307,902</u>

**Note 4. Tax Status**

The Internal Revenue Service has determined that the Corporation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Note 5. Operating Leases**

The Corporation has leases for combined office and training facilities which expire in 1999 and 2001, respectively. The Corporation also has a parking lot with a lease that expires on June 30, 1998 and a copier with a lease expiring January 31, 2000.

The minimum future rental payments under these operating leases for the years ended June 30 are as follows:

1998	\$162,212
1999	153,813
2000	59,444
2001	55,076
2002	<u>3,359</u>
	<u>\$433,904</u>

Rent expense for the year ended June 30, 1997 was \$153,947.

**Note 6. Allocation of Joint Costs**

For the year ended June 30, 1997, the Corporation incurred costs for informational materials and activities that relate to several functions, including program activities, fund raising and other supporting services which were shown in general administration and fund raising expenses. Of those costs, \$139,907 was allocated to program services.



APPLICATION

**Note 7. Defined Contribution Plan**

In June 1996, the Corporation established a defined contribution plan where United Asset Management Retirement Plan Services, Inc. was chosen as the plan administrator. Contributions to the plan are made by the Corporation on a discretionary basis. At June 30, 1997, the Corporation accrued \$171,727 to be paid as its discretionary contributions.

**Note 8. Line of Credit with Bank**

During 1997, the Corporation obtained a \$100,000 line of credit. As of June 30, 1997, the line of credit was not used by the Corporation.

**Note 9. Forgiveness of Debt**

Upon closing of the Print Shop, the Corporation forgave \$213,948 of debt due the Corporation from the Print Shop.

**TEXANS CAN!**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 1997**

**APPLICATION**

EXPENSES	Program Services	
	Academy	Charter School
Salaries	\$1,012,908	\$ 662,090
Employee benefits	118,049	79,102
Payroll taxes	81,479	13,439
Other employment costs	6,836	
Occupancy costs	129,308	111,535
Fees, services and contributions	176,889	63,764
Special event		
Advertising	30,745	
Insurance	11,103	3,533
Telephone	14,486	10,315
Supplies	125,163	53,543
Printing	8,117	234
Mailing	2,830	
Equipment rental	36,384	14,766
Other programs	6,036	12,473
Student services	17,924	20,206
Travel and transportation	21,309	51,752
Conferences	6,291	4,291
Depreciation		2,564
Miscellaneous		
	1,805,857	1,103,607
Less expenses netted with revenues for special events support		
Joint cost allocation		
Joint costs	139,907	
<b>TOTAL EXPENSES</b>	<b>\$1,945,764</b>	<b>\$1,103,607</b>

APPLICATION

<u>Support Services</u>			
<u>General Administration</u>	<u>Fund Raising</u>	<u>Print Shop</u>	<u>Total</u>
\$ 201,373	\$ 313,459	\$ 7,425	\$2,197,255
61,867	36,006	766	295,790
20,634	26,490	568	142,610
15,904	103,439		126,179
20,548	17,905	1,277	280,573
29,779	103,858	7	374,297
	209,839		209,839
434	205,335		236,514
16,977			31,613
8,626	1,030	657	35,114
4,882	24,089	188	207,865
16,642	20,286		45,279
21,690	3,069		27,589
8,925	5,782	605	66,462
			18,509
1,274	1,540		40,944
8,504	15,503		97,068
8,506	6,973		26,061
57,688		2,988	63,240
76		20,560	20,636
504,329	1,094,603	35,041	4,543,437
	( 867,058)		( 867,058)
( 104,265)	( 35,642)		( 139,907)
			139,907
<u>\$ 400,064</u>	<u>\$ 191,903</u>	<u>\$ 35,041</u>	<u>\$3,676,379</u>

APPLICATION



WEAVER  
AND  
TIDWELL

L.L.P.

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

12221 Merit Drive  
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INDEPENDENT AUDITOR'S REPORT ON  
SCHEDULE OF FEDERAL ASSISTANCE

To the Board of Directors  
Texans Can!  
Dallas, Texas

We have audited the financial statements of Texans Can! as of and for the year ended June 30, 1997, and have issued our report thereon dated August 26, 1997. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of federal financial assistance and supplemental schedule of Federal Financial Assistance - Texas Commission of Alcohol and Drug Abuse is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
August 26, 1997

FORT WORTH OFFICE

307 West Seventh Street  
Suite 1500  
Fort Worth, Texas 76102

WORLDWIDE AFFILIATIONS  
THROUGH  
SUMMIT INTERNATIONAL  
ASSOCIATES, INC.

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TEXANS CAN!  
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 YEAR ENDED JUNE 30, 1997

APPLICATION

<u>Agency Federal Grantor/ Passed Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor or Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Accrued Revenue at 6/30/96</u>	<u>Revenue Received</u>	<u>Expendi- tures</u>	<u>Accrued Revenue at 6/30/97</u>
<u>United States Department of Labor</u>							
passed through the Dallas County Local Workforce Development Board:							
Job Training Partnership Act Programs (1)	17.248-50						
		9585-IIA	\$149,254	\$ 15,053	(\$ 86,298)	\$ 71,245	\$
		9555-IIA	182,742	3,076	( 182,742)	179,666	
		9613-IIC	248,840	4,405	( 248,840)	244,435	
		9612-IIB	66,695	15,025	( 64,164)	49,139	
		9712-IIB	124,672		( 25,027)	48,130	23,103
		9620-IIA	252,674	4,487	( 252,674)	248,187	
		9619-IIC	146,563		( 145,721)	146,563	842
		9619-IIA	292,543		( 266,040)	292,543	26,503
				<u>42,046</u>	<u>( 1,271,506)</u>	<u>1,279,908</u>	<u>50,448</u>
<u>United States Department of Labor</u>							
passed through the Texas Employment Commission							
Wagner-Payser 7(b) Programs	17.207						
		WP7B-P95-004	262,000	24,639	( 28,453)	3,814	
		WP7B-70017	262,000		( 57,071)	69,368	12,297
				<u>24,639</u>	<u>( 85,524)</u>	<u>73,182</u>	<u>12,297</u>
<u>Center for Substance Abuse Treatment</u>							
passed through Texas Commission on Alcohol and Drug Abuse							
Target Cities Project	83.196	04-0714-963-TAR	72,286	<u>3,506</u>	<u>( 10,247)</u>	<u>6,741</u>	
<u>United States Department of Education</u>							
passed through State Department of Education							
SEA Title I, Part A	84.010	77-057804	43,454		<u>( 20,858)</u>	<u>43,454</u>	<u>22,596</u>
Total Federal Awards				<u>\$ 70,191</u>	<u>(\$1,388,135)</u>	<u>\$1,403,285</u>	<u>\$ 85,341</u>

1) Denotes a major program

Note: The schedule of expenditures of federal awards is prepared in the accrual basis of accounting.

TEXANS CAN!  
SUPPLEMENTAL SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE -  
TEXAS COMMISSION ON ALCOHOL AND DRUG ABUSE  
YEAR ENDED JUNE 30, 1997

APPLICATION

Award Number: 04-0714-963-TAR  
Award Period: September 30, 1995 to September 29, 1996  
Audited Period: July 1, 1996 to June 30, 1997

Accrued revenue at June 30, 1996	<u>\$ 3,506</u>
Grant revenue received	<u>( 10,247)</u>
Expenditures:	
Personnel	5,886
Fringe benefits	255
Travel	172
Equipment	70
Supplies	77
Telephone	68
Miscellaneous	<u>213</u>
Total expenditures	<u>6,741</u>
Accrued revenue at June 30, 1997	<u>\$ _____</u>

APPLICATION



**WEAVER  
AND  
TIDWELL**

L.L.P.

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Texans Can!  
Dallas, Texas

We have audited the financial statements of Texans Can! (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated August 26, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Texans Can! financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal control Over Financial Reporting**

In planning and performing our audit, we considered Texans Can!'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

FORT WORTH OFFICE  
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Fort Worth, Texas 76102

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WORLDWIDE AFFILIATIONS  
THROUGH  
SUMMIT INTERNATIONAL  
ASSOCIATES, INC

APPLICATION

To the Board of Directors  
Texans Can!

This report is intended for the information of management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
August 26, 1997



APPLICATION



WEAVER  
AND  
TIDWELL

L.L.P.

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

12221 Merit Drive  
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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
Texans Can!  
Dallas, Texas

**Compliance**

We have audited the compliance of Texans Can! with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1997. Texans Can!'s major federal programs are identified in the schedule of federal financial assistance. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Texans Can!'s management. Our responsibility is to express an opinion on Texans Can!'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Texans Can!'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Texans Can!'s compliance with those requirements.

In our opinion, Texans Can! complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

**Internal Control Over Compliance**

The management of Texans Can! is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Texans Can!'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

FORT WORTH OFFICE  
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WORLDWIDE AFFILIATIONS  
THROUGH  
SUMMIT INTERNATIONAL  
ASSOCIATES, INC.

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APPLICATION

To the Board of Directors  
Texans Can!

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses:

This report is intended for the information of management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

  
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
August 26, 1997

TEXANS CAN!  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1997

APPLICATION

There were no audit findings or questioned costs in the current or prior year.

**CREDENTIALS**

**BOARD OF TRUSTEES, ADVISORY BOARD AND STAFF**

**Texans Can!**

Texans Can! has 12 years of experience in providing education to over 6,500 educationally and economically disadvantaged youth in Texas. For the last two years Texans Can! has operated a Texas public open-enrollment charter school - the Dallas Can! Academy Charter School.

Dallas Can! was established in 1985 as an alternative education program working with multiple-adjudicated youth in the juvenile justice system. In 1986, Dallas Can! Academy opened its first alternative school specializing in recovering inner-city school dropouts and helping them earn a GED.

Texans Can! obtained an open enrollment charter in 1996. Since obtaining Charter School status, curriculum and courses have been developed to enable awarding of high school diplomas.

Texans Can! operates four campuses in the Dallas area and has been awarded a charter for Houston Can! Academy Charter School in Houston which will open August 3, 1998.

A Dallas Can! Academy Charter School student, [REDACTED], earned the first high school diploma of a Charter School in November 1996. [REDACTED] was honored by the State Board of Education and Governor Bush (See attached).

**Board of Trustees**

The primary purpose of the Board of Trustees is to provide vision, guidance, and management and business expertise to Texans Can!

Three members of the Board of Trustees work directly in education:

Dr. Robert Aguero, Vice Chancellor of Educational Affairs,  
Dallas County Community College District;

Mr. Kevin Acosta, Director of Community Outreach,  
Dallas Public Schools;

Dr. Mamie McKnight, Consultant to the Chancellor,  
Dallas County Community College District.

All three of these trustees are members of the minority community and have spent the majority of their educational careers working with at-risk populations.

The remaining members of the Board of Trustees have worked with Texans Can! for from 3 years to 10 years. Consequently, each is highly experienced in managing a non-profit organization that provides educational services to at-risk youth.

In 12 years of audits under the Office of Management and Budget A-133 Single Point audit requirements, Texans Can! has never had a disallowed or questioned cost. This demonstrates the credentials of the staff and Board of Trustees in managing a nonprofit organization.

### **Staff**

The Chief Executive Officer, Grant East, has 22 years of experience in leading a nonprofit organization. Mr. East has a Ph.D. in Philosophy and has been the Chief Executive Officer of Texans Can! since its founding.

The Chief Educational Officer for San Antonio Can! Academy Charter School is Dr. Shirley Rose. Dr. Rose has had a distinguished career in education. Some of Dr. Rose's credentials and experience was discussed on page 23 under Administrators.

Dr. Rose spent 20 years with the Harris County Department of Education serving as Superintendent for the last six years. The Harris County Department of Education primarily serves at-risk and hard to serve students. Consequently, Dr. Rose has extensive experience working with the population to be served by San Antonio Can! Academy Charter School.

The Superintendent of Dallas Can! Academy Charter School is Dr. Karen Case. Dr. Case has an Ed.D and Ed.M in Educational Administration. Dr. Case has 24 years of educational experience including Math Teacher, Director of Curriculum and Instruction for an I.S.D. and Interim Superintendent of an I.S.D.

Dr. Case holds Certifications in:

Texas Professional Superintendent  
Texas Professional Mid-Management Administrator  
Texas Provisional Secondary Mathematics  
Texas Provisional Secondary Speech and Drama

Dr. Case will work with Dr. Rose to ensure that Texans Can!'s curriculum is uniform and fulfills the TEKS requirements of the State Board of Education. A meeting once a month will be scheduled between Dr. Rose and Dr. Case to discuss individual program enhancements and ideals for continual improvement of Texans Can!'s educational processes.

Texans Can! currently employees 134 professionals working with at-risk youth in Dallas and Houston. It would be exhaustive to list the credentials and experience of each individual. Credentials of the following are covered on pages 22 - 24 of this application: Dr. Kay Knighton, Ms. Cheri Warner, M.Ed., Ms. Carol Thorne, M.Ed., Ms. Kathy Beasley, LCDC.

### **San Antonio Can! Academy Advisory Board**

The 17 members of the San Antonio Can! Academy Advisory Board are shown on page 5. Thirteen (13) of the 17 work directly in the field of at-risk populations. Six of the 17 work directly in the field of education.

APPLICATION

It would also be exhaustive to list the credentials and experience of each of the San Antonio Can! Academy Advisory Board members. In summary, the credentials of each of these individuals are shown in their titles and their organizations: Youth Initiatives Manager, Youth Center Supervisor, Youth Institute of San Antonio, Family Violence Prevention Services, Battered Women's Shelter, Family Services Association, etc.

**Texans Can! Dallas Can! Academy Advisory Board**

Texans Can! also has a Dallas Can! Academy Advisory Board consisting of 38 individuals. The purpose of the Advisory Board is to bring business and management expertise and advise to Texans Can!.

Seven of the Advisory Board members bring extensive experience in working with at-risk youth:

Mr. William Acosta, MSW was Regional Director of Children and Youth Services for and spent 25 years working in the U.S. Department of Health and Human Services.

Judge Ron Chapman and Judge Faith Johnson began their career as judges in courts dealing with at-risk populations.

Dr. Michael Jackson is Dean of Students at El Centro College, a community college serving inner-city Dallas.

Former Judge Lena Levario, currently an attorney and counselor, has over 15 years of experience working with at-risk populations.

Executive Assistant Chief of Police, Manuel Vasquez, has spent his career as a police officer working with high-risk populations.

Mr. Tony Villages is Co-Owner of the Addicare Group, a drug abuse treatment center. Mr. Villages has over 20 years of experience in working with children in crises.

ATTACHMENT "G"  
Litigation  
Page 1 of 1

### LITIGATION

The sponsoring entity, Texans Can!, has never had a civil suit, bankruptcy proceedings, criminal prosecution, or any administrative process in which an agency of federal, state or local government has taken an adverse licensing or disciplinary action. No member of the Board of Trustees (the governing body of the sponsoring entity), or the chief operating officer of the sponsoring entity or any employee of the sponsoring entity has had a criminal conviction in the past ten years. The management of the charter school will not be contracted to an outside agency.

# TEXAS STUDY

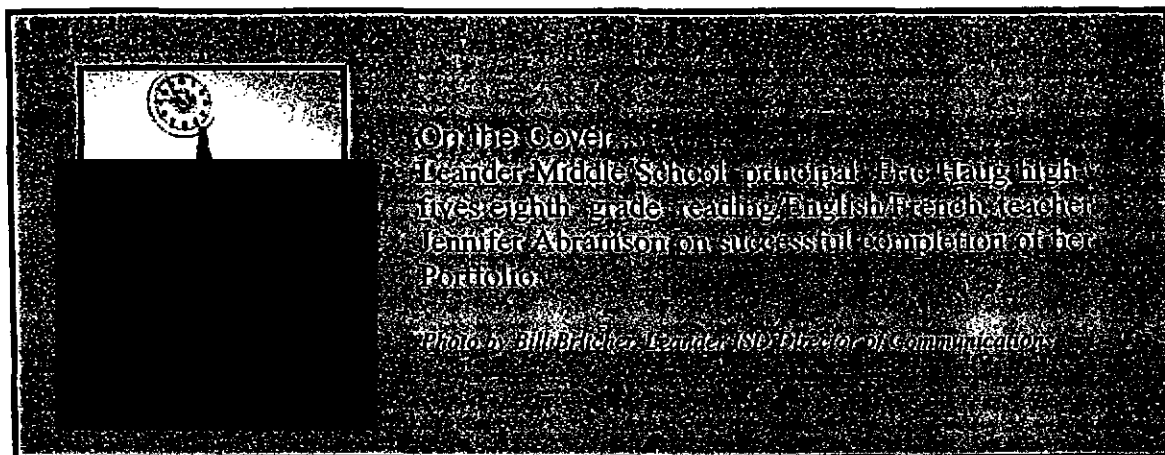
Vol. VI, No. 2

OF SECONDARY EDUCATION

Spring 1997

ATTACHMENT "H"  
Education Philosophy  
Page 1 of 6

APPLICATION



## On the Cover...

Leander Middle School principal Eric Haug highlights eighth grade reading/English/French teacher Jennifer Abranson on successful completion of her Portfolio.

Photo by Bill Bratcher, Leander ISD Director of Communications

## FOCUS: VIABLE ALTERNATIVES

A look at different ways of educating and administrating to students and staffs

- 1** Don't Jump Without A Parachute!  
by Kenn Franklin  
Van High School uses innovative methods to reach the needs of all its students...
- 3** Climbing the Mountain to Success  
by Betty Carter & Ron Lindsey  
Attucks Middle School had three years to turn a bastion of inefficiency into a learning institution...
- 7** The Tucson Program  
by Ann Alexander, John P. Orta & Ken Sawin  
Lockhart ISD implements a high school transitional program model for at-risk freshmen...
- 8** Restructuring Alternatives for the Alternative School  
by James Kelch  
With a little help from William Glasser, KEYS Academy overcame its ineffectiveness...
- 10** Highlights of a Successful Texas School  
by Janis Guerrero  
A nominee in the national Title I program, Dovalina Elementary School shines in a STAR study...
- 11** An Innovative At-Risk Approach That Works  
by Ray Kilgo  
Dedicated teachers in a core group make a dramatic difference for students at North Shore MS...
- 12** Rules Without Relationships Breed Rebellion  
by Grant East  
This charter school has never had a racial incident or an altercation between students and staff...
- 16** Lake Worth High School Travel Academy Goes On-Line  
by Tom Prisoc  
A partnership with American Airlines takes students into 21st century careers...



APPLICATION

The "family" is in crisis, and nowhere is this crisis more apparent than in urban neighborhoods. Beleaguered by poverty, lack of education and absentee fathers, the urban family presents one of our nation's most significant problems, and one we can no longer ignore. As the number of children born to women living below the poverty level increases, the number of at-risk students in our schools increase. While there is no simple solution, education is the most promising and practical way to break the cycle.

However, educating today's at-risk student has proven extremely challenging for traditional educational models. Why? Because, not only are the numbers of at-risk students increasing, their attitude has radically changed compared with students of previous generations.

After ten years of working with juvenile delinquents and incarcerated youth, followed by 11 years of running an alternative school recovering inner-city school dropouts, I am convinced that today's at-risk student no longer has a "Vertical Respect Axis." Vertical respect is authority-based where people respect others because of title, position or supposed authority. Instead, today's youth have a highly developed "Horizontal Respect Axis" which is relationship-based. These young people are extremely sensitive to what their peers think of them. That's why gangs and peer groups can have such enormous influence on their actions and attitudes. I call this a "Respect Paradigm Shift." Strong family structures have, in the past, taught respect for position and authority. This is no longer the case in the dysfunctional family environments of many of our at-risk students.

We have found that one of the greatest fears of relationship-based, at-risk students is of being embarrassed or humiliated in front of their peers. This is also one of the significant motivators to dropping out of school. Most of the students we have worked with will throw away an education rather than be disciplined or embarrassed in front of their peers. Challenge our students in public and they will be back "in your face." Public challenge or embarrassment is virtually a trigger mechanism. They cannot afford to have "the word" going back to their neighborhoods that they are "weak."

Eleven years ago we saw the changes that we had to make to work effectively with inner-city, at-risk youth. The result was the following pledge: *We will not humiliate or embarrass a student, no matter what the provocation and no matter what the cause.* Keeping this pledge has caused us to rethink and create systemic changes in every area of our relationships and methodology of working with students. We have developed three core values or "pillars" upon which our program has been developed:

- Discipline in Private, Reward in Public,
- Rules Without Relationship Breed Rebellion and
- Behavior is Based on Need.

APPLICATION

**Question # 1:** [redacted] was wearing [redacted] cap in the learning center and was drinking a soda. Wearing a cap and having food or drink in the learning center are both violations of our code of conduct. How would you expect your teachers to handle this situation?

### Discipline in Private, Reward in Public

Clearly, relationship-based students *must not be disciplined in public*. This includes all discipline, but also goes as far as not "putting a student down" if he or she does not know the answer to a question asked of them in class. Remember, embarrass them and you'll lose them!

attendance. Some of these awards are: a "Change Award" for someone making positive changes in his or her life, a "Hang Tough" award for someone who is "hanging tough" and coming to school even when faced with a negative situation outside of school and a "Crunch Award" for someone who makes a winning decision in a "crunch" situation in his or her life. Each award has its own motto which is yelled loudly by staff and students—just like a cheer. For example, the motto for the "Hang Tough" award is: "When the Going Gets Tough ... Not a Problem."

Our staff deliberately follows students to "catch" them doing something positive and then reward them for it in public. Schools would do well to adopt an old business saying which goes: "You Get What

*In eleven years, with over 4,500 inner-city school dropouts, Dallas Can! Academy has never had a racial incident or an altercation between students and staff...!*

by Grant East

# Relationships Breed Rebellion

The answer to Question # 1 is not to correct [redacted] in front of his classmates. That would lead to a disaster! Assign material to the students, then call [redacted] aside. As privately and confidentially as possible, "remind" [redacted] of the "no cap" and "no food/drink" rules. If you confront [redacted] in front of [redacted] peers, [redacted] may "go off" and retort that "it's my constitutional right to wear a cap or have a soda," or "what do those things have to do with education?" or even worse, "how are you going to make me?" etc. [redacted] will be rewarded by receiving the other students' attention for [redacted] negative behavior rather than being rewarded for positive behavior.

[redacted] is a graduate of Dallas Can! Academy. A former school dropout, [redacted] came to us with 12 assaults of teachers on [redacted] juvenile department record. [redacted] never caused us one problem.

When a counselor asked [redacted] about this, [redacted] said, "I know I'm slower than most students. When I didn't know the answer to a question in class and the teacher or other students made fun of me, my mind just went off. Here I have my own learning plan ([redacted] term for our IEP), and no one makes fun of me. Besides, it would be real hard to hit a teacher who has just hugged me for doing something good."

We have an old-fashioned theory that teachers should teach and counselors should counsel. Therefore, our teachers do not "do discipline" other than verbal reminders which include making a note in our Reminder Book. If the verbal reminders of our policy don't produce change, any need for correction in the behavior of one of our students is handled by a social worker/counselor in the privacy of his or her office.

We have also developed a weekly public reward ceremony which looks suspiciously like a traditional school's Friday Football Pep Rally (from which we borrowed it). While we do reward academic accomplishments such as academic progress, most of our awards are based on character, attitude, behavior and

You Reward." Do your students get rewarded with the attention of their peers by acting out in class, or do you reward them in front of their peers for actions and behaviors you want to encourage?

**Question # 2:** [redacted] had missed several days of school. All attempts to contact [redacted] were unsuccessful. Finally, [redacted] came to school and had obviously been beaten. [redacted] said that some guys had beaten [redacted] because [redacted] was going to school and that meant [redacted] "thought [redacted] was too good to be with them." Later there had been a drive-by shooting at [redacted] house. How would you expect your teachers to handle this situation?

### Rules Without Relationships Breed Rebellion

Attempting to enforce rules with today's at-risk student with whom you have no relationship leads to disaster. Obviously, the solution is to develop relationships with your students. This is easier to do than it may sound. If you consistently demonstrate that you care about them personally, they will respond and a relationship will be developed. The students will actually empower you to discipline them (in private, of course). They don't want chaos and upheaval in their school—they have enough of that in their personal and family lives. They don't want to come to school not knowing if someone will be "bouncing off the walls" or "getting in their face." They actually want stability and security.

The answer to Question # 2 is that your teacher shouldn't handle this situation. Teachers aren't taught how to deal with drive-by shootings! Teachers are taught to teach. A counselor should handle this situation. The best choice would be the counselor who has developed the strongest relationship with [redacted], but it should be a counselor instead of a teacher.

That afternoon, [redacted] counselor and several staff members helped move [redacted] across town to an aunt's

YOU'VE GOT TO GET  
OF BED TO GET THE  
YOU'VE GOT TO SHOW  
UP TO GROW UP  
YOU SNOOZE ... YOU LOSE!

house. He helped [redacted] find the new bus route to school and gave him his beeper number in case of emergency. That's a relationship, and [redacted] was won over. Talk is cheap, but actions speak very loudly to at-risk students.

**Question # 3:** [redacted] had never caused a problem in our school. One day [redacted] was heard speaking very angrily, even cursing some other students outside of our building. This behavior is a violation of our code of conduct. [redacted] came in slamming the door and glaring at everyone. One of the students complained to the teacher. How would you expect your teacher to handle this situation?

### Behavior is Based on Need

We believe that inappropriate behavior must be addressed. If ignored, other students will pick up on it, and the result will eventually be chaos and anarchy. However, we do not believe in strict behavior modification. We have found that any negative change in behavior of our students is just an outward sign of a problem or situation that has arisen in their lives.

A student's negative behavior is fulfilling some need in his or her life. Our counselor's job is to "dig in" and move past the behavior to determine the cause of the behavior. We believe strongly in "Choices and Consequences." They will receive the appropriate consequence based on the negative behavior. But first, let's find out what caused the negative behavior and aggressively address that cause.

As for [redacted] in Question # 3, once again it probably shouldn't be a teacher handling the situation. It should be dealt with by a counselor who has a relationship with [redacted]. In this case, [redacted] counselor found out that [redacted] had given [redacted] a little gold necklace for [redacted] birthday. That morning [redacted] had been awakened by [redacted] mother jerking it off of [redacted] neck to sell for crack cocaine. [redacted] was [redacted]; who wouldn't be?

Before the sun set that day, the counselor and staff moved [redacted], [redacted] and all of their belongings out of that environment and into a motel at our expense. The next day, we found room for [redacted] in an emergency shelter. Subsequently, we moved [redacted] and [redacted] to a relative's house

where [redacted] and [redacted] were safe.

[redacted] cursing and anger toward other students did result in a consequence to her. [redacted] language and attitude were [redacted] own choices, and poor choices must bring consequences. [redacted] consequence was to sign a written behavior contract in which [redacted] agreed not to use bad language and to see [redacted] counselor when [redacted] felt angry. We never had another problem with [redacted].

Trying to change [redacted] behavior without aggressively addressing the cause of that behavior would have been futile and irresponsible on our part. It would have driven [redacted] out of our school and away from people who cared for [redacted] more than [redacted] own family.

### An Educational Problem That's Not an Educational Problem

In 1986, we decided to move from working with multiple-adjudicated juvenile delinquents to recovering school dropouts—a kind of moving-back in the prevention cycle. I thought young people probably dropped out of school because they had a learning disability ... dyslexia, dysgraphia, slow learner, etc. As we began to test our new students, we found that they had no more learning disabilities than the general population. Actually, on average, they were as bright and intelligent as any normal person. What was the problem?

The common thread we found in these young school dropouts was the chaos and dysfunction in their families and in their personal lives. Very few of our students had even one parent who had finished high school. The level of expectation of these students from their families and their peers was that they were expected to drop out of school. These school dropouts were expected to fail and had been told so repeatedly!

We found that the perceived educational problems of our students were not educational problems at all. We realized that before we could educate recovered school dropouts, we had to raise their level of expectation. We were not only in the "education business," but just as important, we were in the "raising of

APPLICATION

expectations" business. If they believed they would fail or believed they would succeed, they were right!

### Real Self-Esteem

Much has been written about building children's self-esteem. Some theories say that we should build kids' self-esteem by telling them that they are good, they can succeed, they are of value and that they can be anything they want to be, etc. That is good, but it is building confidence—not self-esteem. Confidence is necessary for beginning an endeavor, but it is one of the most transient of human emotions. When we take on tasks with confidence but do not have the skills necessary to handle the tasks, we will ultimately fail. These failures will destroy confidence because we do not have the skills to overcome the failure.

Here's an example: most of the high school dropouts who come to Dallas Can! cannot deal with fractions. Subsequently, 9th grade Algebra "clobbers" them. Since a student can't do algebra without knowing how to handle fractions, all of the encouragement and motivation in the world is futile; they still won't pass Algebra until they can handle the task of fractions.

I am firmly convinced that self-esteem is task-oriented. Lasting self-esteem must be based on the ability to accomplish a task. It is based on the knowledge that I know that "I can do that." True self-esteem says that if I fail at a task, I can get up and try it again because I've done it before and I know, really know, that I can do that.

We believe in building self-esteem based on actual accomplishment, not just positive statements. Self-esteem can be built with small rewards for small accomplishments. We believe in constantly looking for accomplishment, no matter how small, and rewarding it. A verbal "at-a-boy," "way-to-go" or "good job" is reward indeed to a young person who is hungry for even a little praise in his or her life.

Every Winners' Circle starts off with our major cheer which is also our school motto: *If you can conceive it and believe it, you can achieve it!* As our students begin to conceptualize success and graduation, and as they begin to believe it will happen to them, they "take off" academically. As our students achieve academic success, their attitude moves them even further away from being a behavior problem. Little successes lead to more little successes, which leads to bigger successes and success "gets very good" to them!

### One Size Doesn't Fit All

Obviously, the traditional 1:30 teacher-to-student ratio in a didactic classroom setting has not proven effective in educating our at-risk students. Several years ago we developed a specialized staffing structure to more effectively work with at-risk students. We have almost one social worker/counselor for every teacher. We pair a counselor and a teacher into a Case Management team. Every student who registers at Dallas Can! Academy is assigned to one of the

(continued on page 25, see "Dallas Can! Academy")

## DALLAS CAN! ACADEMY: ONE SIZE DOESN'T FIT ALL

(CONTINUED FROM PAGE 15)

teams, based on the first letter of his or her last name. This teacher/counselor case management team is responsible for that student during his or her entire stay at Dallas Can! Academy. All of our students have problems, and it is the responsibility of the counselors in our teams to aggressively address these problems. We believe our responsibility for our students extends to their neighborhoods, their houses and even to their bedrooms.

As mentioned before, we have moved students across town to stay with relatives because of drive-by shootings. We go to court with students who have committed minor offenses, and we request public service time instead of major fines or incarcerations. Not one judge has ever refused us. They would much rather have a student in school receiving an education and performing community service than in jail because he couldn't pay a big fine. We are a major distributor of Huggies diapers (donated by Kim-

berly-Clark) to our young mothers. We have moved young ladies out of physically abusive situations, provided temporary lodgings overnight at the homes of their counselors and found them places in an emergency shelters. We provide daycare vouchers and bus passes when needed.

I half-jokingly instruct our counselors that they are not to let go of any student, even if he tries to pry their fingers off of his ankle! We may be the only people in our students' lives that they can count on. Our students come to realize that we will be there for them. Tremendous relationships are built in that environment. Rules with relationship breed success and hope for the future.

I invite you to come to Dallas Can! Academy and see firsthand what we do and how we do it. We have helped many school districts set up alternative schools, and we will be glad to share with you what we have learned over the years.



Grant East began his career as a research engineer for an oil company, later entering the computer field and eventually forming a software company. He established Freedom Ministries, a non-profit organization working with adult and juvenile prisoners in 1976. Dallas Can! Academy is an outgrowth of that organization. For more information, you may contact Mr. East, President of Dallas Can! at (214) 824-4226

# Dallas Can! Academy Fact Sheet

Dallas Can! Academy was founded in 1985 to serve the educational need of youth of Dallas County. Since that time, we have expanded our programming to include adult participants as well. To date, over 5,000 students (ages 16-21) have benefited from our program. APPLICATION

## Dallas Can! Academy - Charter School:

- provides high school diploma and GED instruction for students 16-21 years of age
- prepares students for the Texas Assessment of Academic Skills (TAAS) test

## Dallas Can! Academy - Vocational Training Program:

- provides General Educational Development (GED) preparation for dropouts
- prepares youth and adults for careers in the construction industry (carpentry, electrical, plumbing)
- conducts summer programs to encourage at-risk youth to return to school and graduate

## Dallas Can! Academy - Families For Learning (FFL):

- helps young mothers obtain their GED's and develop parenting skills
- provides early childhood education for pre-school children of teen mothers
- provides child care for children of FFL students who are younger than pre-school age.

## 1996-97 profile of Dallas Can! students:

- 1,338 students served; 92.6% successful completion rate
- 90% minorities (52% African-American; 36% Hispanic; 2% Other)
- dropout recovery students were 55% female; 73% of those were mothers
- all students economically disadvantaged

## Dallas Can! 1996-97 budget approximately \$4.6 million:

- 46% of funding came from government grants
- 42% from special events, contributions, and other revenue generating activities
- 8% from foundation support
- 4% from individual contributions

## Government Actions:

- Dallas Can! was selected by Governor George W. Bush to receive a grant of \$262,000 in support of literacy, life skills and employability programs for Dallas County youth and adults.

## What does the future hold?

- Dallas Can! will serve over 1600 students in 1997-98.
- Many Dallas County youth and adults wishing to break the cycle of poverty, hopelessness and despair in their lives will ask for help but not be served due to lack of funding.

You can make a difference by supporting the programs of Dallas Can! Academy. Please give a young person a hand-up to self-sufficiency and personal responsibility. For information on programs or volunteer opportunities, call (214)824-4226. Dallas Can! Academy, 2601 Live Oak St., Dallas, TX 75204.

OUTSTANDING  
ACHIEVEMENT  
AWARD

*Presented to*

*In recognition  
of his dedication and hard work  
towards expanding his knowledge.*

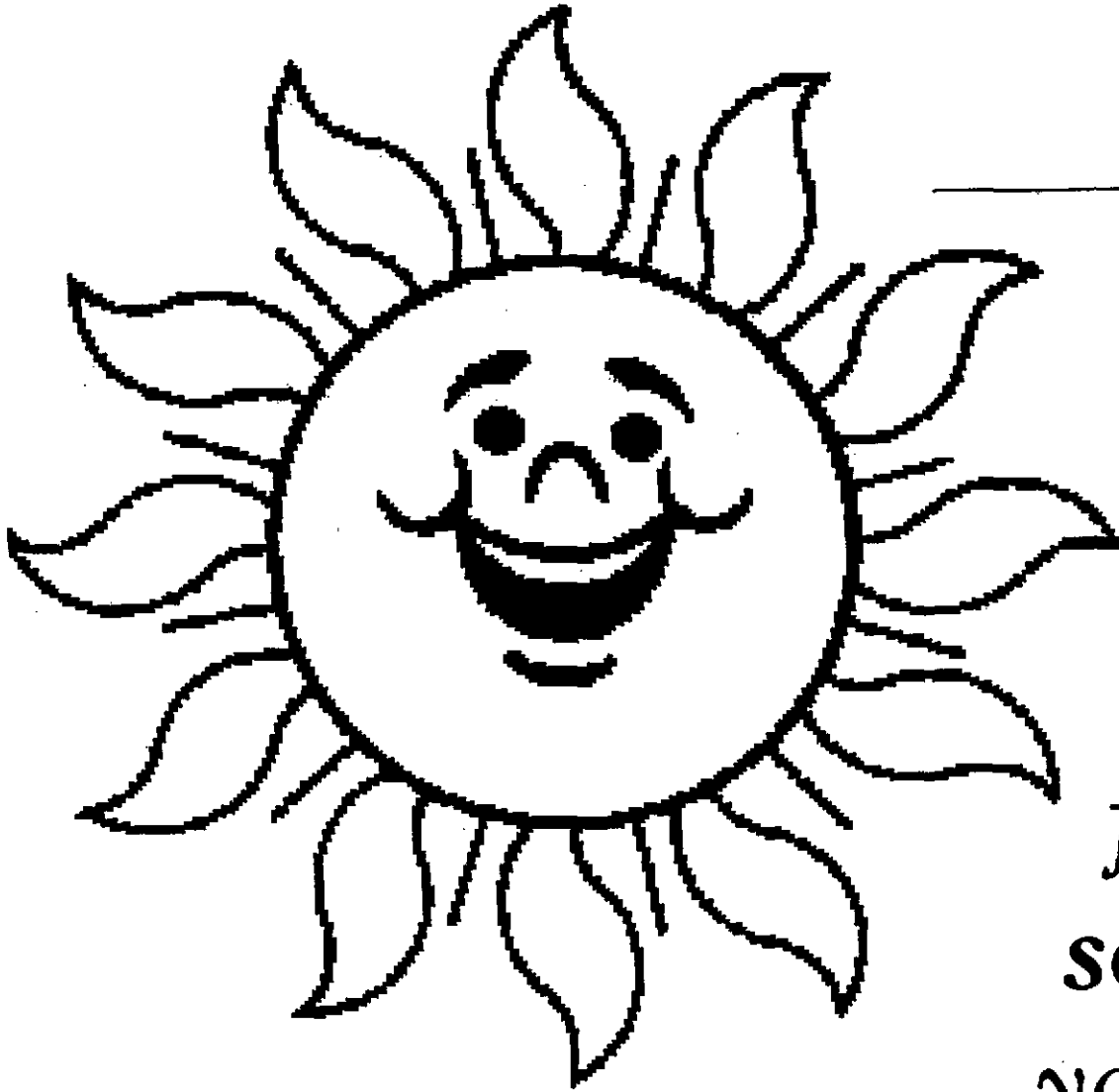
*Congratulations!*

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Teacher  
Dallas Can! Academy

# DALLAS CAN! ACADEMY

## Sunshine Award



*Your  
future's  
so bright,  
you have  
to wear shades!!*

Sponsored by TGI Friday's

APPLICATION

This certificate is  
presented to

---

for making a  
**WINNING  
DECISION**  
in a  
***CRUNCH***  
situation!



APPLICATION

*Certificate of*  
**STEADINESS**

*May it be known by all who read this  
that this Certificate of Completion  
has been presented to*

---

*for*

---

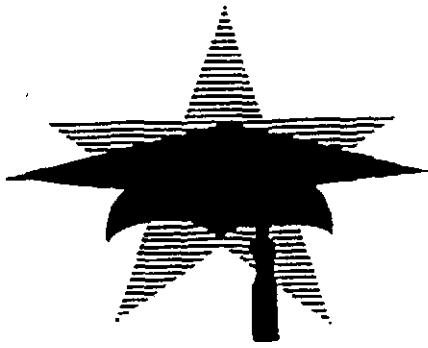
*Presented this \_\_\_\_\_ Day of \_\_\_\_\_, 19\_\_\_\_*

**DALLAS CAN! ACADEMY**

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# DALLAS CAN! ACADEMY

APPLICATION



## *Change Award*

This certifies that

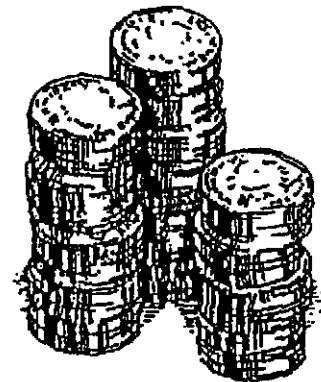
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has demonstrated changes in behavior  
which will lead to  
**WINNING SUCCESS!**

Awarded this \_\_\_\_ day of \_\_\_\_\_, 19\_\_

---

Counselor



APPLICATION

**#1**

**STUDENT  
OF  
THE  
WEEK**

---

DALLAS CAN! ACADEMY

137

Certificate  
of  
Perfect Attendance

Honoring \_\_\_\_\_

this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

  
DALLAS CAN! ACADEMY

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Giving young Texans a second chance

DATE: September 1, 1998

TO: Brooks Flemister  
Texas Education Agency

FAX: 512-463-9838

FROM: Grant East 

SUBJECT: San Antonio Can! Charter School Application

TOTAL PAGES INCLUDING COVER PAGE: 5

Clarification for San Antonio Can! Charter School Application.

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**Texans Can!**  
Administrative Offices: 2601 Live Oak  
Dallas, Texas 75204-5727  
(214) 824-4226  
Fax (214) 821-8735  
1-888-325-4226  
www.dallascan.org

**Dallas Can! Academy**  
2601 Live Oak  
Dallas, Texas 75204-5727  
(214) 824-I CAN (4226)  
Fax (214) 821-8735  
1-888-325-4226  
www.dallascan.org

**Dallas Can! Academy**  
325 West 12th Street, Suite LL  
Dallas, Texas 75208  
(214) 943-2244  
Fax (214) 948-8691  
1-888-325-4226  
www.dallascan.org

**Houston Can! Academy**  
2301 Main Street  
Houston, Texas 77002  
(713) 225-I CAN (4226)  
Fax (713) 651-1493  
1-877-225-4226  
www.houstoncan.org

## CONTINGENCIES

San Antonio Can! Academy Charter School

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**(7) Specify any type of enrollment criteria to be used. (For admission to an open-enrollment charter school, the person operating the school may require the students seeking admission to complete and submit applications not later than a reasonable deadline the school establishes.) Indicate whether an open-enrollment charter provides for the exclusion of a student who has a documented history of criminal offense, juvenile court adjudication, or discipline problems under TEC, Chapter 37, Subchapter A:**

**Enrollment Criteria**

The enrollment criteria for students at San Antonio Can! Academy are as follow:

1. Eligible for public school education in the state of Texas.
2. A resident of Bexar County.
3. Ages 16-21
4. Must complete pre-admission testing (the TABE is used to develop IEP's).
5. Must attend an orientation and bring the required documents (school transcript, drop slip, birth certificate, social security card, immunization records). Students who are 16 and 17 years of age must be accompanied by a parent or a legal guardian.
6. Must meet with his or her counselor to identify needs for transportation, childcare, family support and other social services.

San Antonio Can! Academy will use an open-entry and open-exit enrollment system. No specified timetable for registering and admitting students is needed in an open-enrollment system. San Antonio Can! Academy Charter School will initially admit 200 to 500 students of any race, color, national origin, ethnicity, religion and gender. Should more than 500 students apply for enrollment, San Antonio Can! Academy Charter School will use a lottery system for selecting students. Staff will originate a student waiting list if the number of applicants exceeds the program capacity. Staff will select students by drawing student names from the waiting list to fill vacancies. Staff will notify students whose names are drawn. Physical disabilities, academic abilities, athletic abilities, the district the student would otherwise attend, or students with documented history of criminal offense, juvenile court adjudication, or discipline problems under TEC, Chapter 37, Subchapter A will not be reasons for exclusion. However, San Antonio Can! Academy Charter School reserves the right to exclude students as outlined in Chapter 12, Section 12.111 who have documented history of a criminal offense, a juvenile court adjudication, or discipline problems under Subchapter A, Chapter 37.

## CONTINGENCIES

San Antonio Can! Academy Charter School

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As mentioned previously, Texans Can!, through the Dallas Can! Academy Charter School, now has 2 years of experience in PEIMS submission. The PEIMS Coordinator of Dallas Can! Academy Charter School will train the PEIMS Coordinator of San Antonio Can! Academy Charter School.

**(e) Facilities**

San Antonio Can! Academy Charter School will be located at 600 S.W. 19<sup>th</sup>, San Antonio, Texas 78207. This facility is a part of the Boys & Girls Club of San Antonio and has over 5,000 square feet of space for classrooms. The facility use agreement has been attached in Attachment "B". This location is critical in that it is located in the Zip Code 78207 which is the area of greatest need in San Antonio reporting the highest number of at-risk youth and school dropouts. The quality of this facility and its location will greatly enhance the school's ability to accomplish the goal of recovering San Antonio's school dropouts and at-risk youth. All facilities will meet health and safety codes as well as accommodations for handicapped individuals as described in the American Disabilities Act. The facility presently is approved by the city to meet all health and safety codes to conduct educational services.

**(f) Transportation** – San Antonio Can! Academy Charter School will provide for the transportation needs of all its students. The School will meet most transportation needs by purchasing bus passes from the San Antonio Metro bus system. San Antonio Can! Academy anticipates that a van will be purchased in the near future to supplement bus passes. Special transportation needs of any disabled student will be provided when required by the student's Individual Education Plan.

**(g) Food services** – San Antonio Can! Academy Charter School expects to have a considerable percentage of students who are economically disadvantaged. Consequently, the School will provide free and reduced-price lunches and breakfasts. Expenditures for contractual services are included in the proposed budget. Contract vendors will provide food services.

**(10) Draft of Board Policy re: PEG**

**TEXANS CAN!  
BOARD OF TRUSTEES**

**POLICY**

It shall be the official policy of all Charter Schools operated by Texans Can! that all students eligible for Public Education Grants (PEG) under Texas Education Code, Subchapter G, Chapter 29, who are otherwise eligible for enrollment, are to be accepted. Eligibility for Public Education Grants (PEG) shall not be a factor in the admission or denial of admission of any student.

## CONTINGENCIES

San Antonio Can! Academy Charter School

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This policy is to be administered by the Principals of the Charter Schools under the supervision of the Superintendents. It shall be the duty of the Principal to maintain an active list of PEG schools from the demographic area served and report transfers from these schools to the PEIMS Coordinator.

A copy of this policy is to be posted in all intake centers and included in all enrollment packets. Any parent who has questions relative to PEG grants is invited to contact the Texans Can! Ombudsman, Ms. Kathy Beasley, LCDC, 2601 Live Oak, Dallas, Texas 75203 (888-325-4226, a toll-free number).

NOTE: Dallas Can! Academy Charter School and Houston Can! Academy Charter School currently accept all PEG students who apply and are otherwise eligible for entrance.



## CONTINGENCIES

San Antonio Can! Academy Charter School

ATTACHMENT "G"  
Litigation  
Page 1 of 1

**LITIGATION**

The sponsoring entity, Texans Can!, has never had a civil suit, bankruptcy proceedings, criminal prosecution, or any administrative process in which an agency of federal, state or local government has taken an adverse licensing or disciplinary action. No member of the Board of Trustees (the governing body of the sponsoring entity), or the chief operating officer of the sponsoring entity or any employee of the sponsoring entity has had a criminal conviction or been involved in litigation in the past ten years. The management of the charter school will not be contracted to an outside agency.

CONTRACT FOR CHARTER

RECEIVED

APR 12 1999

CHARTER SCHOOLS

This contract is executed the 1 day of Oct 1998 between the State Board of Education (the "Board") and SAN ANTONIO CON! Academy ("Charterholder") for an open-enrollment charter to operate a Texas public school.

General
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1. Definitions. As used in this contract:
  - "Charter" means the open-enrollment charter, as provided by Subchapter D, Chapter 12, Texas Education Code (TEC), granted by this contract.
  - "Charter school" means the open-enrollment charter school. Charterholder agrees to operate as provided in this contract. The charter school is a Texas public school.
  - "Agency" means the Texas Education Agency.
2. The Charter. This contract grants to Charterholder an open-enrollment charter under Subchapter D, Chapter 12, TEC. The terms of the charter include: (a) this contract; (b) applicable law; (c) Request for Application #701-98-016; (d) any condition, amendment, modification, revision or other change to the charter adopted or ratified by the Board; (e) all statements, assurances, commitments and representations made by Charterholder in its application for charter, attachments or related documents, to the extent consistent with (a) through (d); and (f) assurance by Charterholder, evidenced by execution of this contract, that no false information was submitted to the Agency or the Board by Charterholder, its agents or employees in support of its application for charter, .
3. Authority Granted by Charter. The charter authorizes Charterholder to operate a charter school subject to the terms of the charter. Action inconsistent with the terms of the charter shall constitute a material violation of the charter.
4. Alienation of Charter. The charter may not be assigned, encumbered, pledged or in any way alienated for the benefit of creditors or otherwise. Charterholder may not delegate, assign, subcontract or otherwise alienate any of its rights or responsibilities under the charter. Any attempt to do so shall be null and void and of no force or effect; provided, however, that Charterholder may contract at fair market value for services necessary to carry out policies adopted by Charterholder or the governing body of the charter school.
5. Term of Charter. The charter shall be in effect from October 1, 1998 through July 31, 2003, unless renewed or terminated.

6. Renewal of Charter. On timely application by Charterholder in a manner prescribed by the Board, the charter may be renewed for an additional period determined by the Board. The charter may be renewed only by written amendment approved by vote of the Board and properly executed by its chair.
7. Revision by Agreement. The terms of the charter may be revised with the consent of Charterholder by written amendment approved by vote of the Board. The commissioner of education ("the commissioner") may revise the charter on a provisional basis during an interim between Board meetings; however, such action shall expire unless ratified by the Board at its next regular meeting. Nothing in this paragraph limits the authority of the Board or the commissioner to act in accordance with other provisions of this contract.

<b>Students</b>
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8. Open Enrollment. Admission and enrollment of students shall be open to any person who resides within the geographic boundaries stated in the charter and who is eligible for admission based on lawful criteria identified in the charter. Total enrollment shall not exceed \_\_\_\_\_ students. The charter school's admission policy shall prohibit discrimination on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the student would otherwise attend. Students who reside outside the geographic boundaries stated in the charter shall not be admitted to the charter school until all eligible applicants who reside within the boundaries have been enrolled.
9. Public Education Grant Students. Charterholder shall adopt an express policy providing for the admission of, and shall admit under such policy, students eligible for a public education grant, including those students who reside outside the geographic area identified in the charter application, under Subchapter G, Chapter 29, TEC.
10. Non-discrimination. The educational program of the charter school shall be nonsectarian, and shall not discriminate against any student or employee on the basis of race, creed, sex, national origin, religion, disability or need for special education services.
11. Children with Disabilities. The charter school is a "local educational agency" as defined by federal law. Charterholder must comply with the Individuals with Disabilities Education Act (IDEA), 20 U.S.C. §1401, et seq., and implementing regulations; Section 504 of the Rehabilitation Act of 1973 ("Section 504"), 29 U.S.C. §794, and implementing regulations; Title II of the Americans with Disabilities Act, 42 U.S.C. §12131-12165, and implementing regulations; Chapter 29, TEC, and implementing rules; and the many court cases applying these laws. For example:

- (a) Child Find. Charterholder must adopt and implement policies and practices that affirmatively seek out, identify, locate, and evaluate children with disabilities enrolled in the charter school or contacting the charter school regarding enrollment, and must develop and implement a practical method to determine which children with disabilities are currently receiving needed special education and related services. For each eligible child, Charterholder must develop and offer an individualized education plan appropriate to the needs of that student.
- (b) Free Appropriate Public Education. Charterholder must provide a free appropriate public education to all children with disabilities otherwise eligible to enroll in the charter school. If the program, staff or facilities of the charter school are not capable of meeting the needs of a particular child, Charterholder must implement changes necessary to accommodate the child at the charter school. If reasonable accommodations would be insufficient to enable the child to benefit from the charter school's program, Charterholder must, at its own expense, place the child at an appropriate school.
- (c) Services to Expelled Students. Charterholder must continue to provide a free appropriate public education to a child with disabilities even after expelling or suspending the child for valid disciplinary reasons. This obligation to serve the child continues until the end of the school year.
- (d) Monitoring. The charter school's implementation of the laws governing education of children with disabilities will be monitored for compliance by the United States Department of Education, Office of Special Education Programs; the United States Department of Education, Office of Civil Rights; the Texas Education Agency; and others. This monitoring activity includes responding to complaints, random on-site inspections and other investigations by the enforcing agencies, and will result in corrective actions imposed on Charterholder by these agencies for all discrepancies found.
- (e) Due Process Hearings. The charter school's implementation of the laws governing education of children with disabilities will, in addition, be subject to court supervision via litigation against Charterholder brought by individuals affected by the actions of the charter school. The cost of this litigation can be substantial.

Notice: These are only a few of the charter school's legal responsibilities in this area, included here for illustrative purposes only.

- 12. Student Performance and Accountability. Charterholder shall satisfy Subchapters B, C, D, and G of Chapter 39 of the TEC, and related agency rules, as well as the student performance accountability criteria stated in its application for charter. Charterholder shall annually provide in a manner and form defined by the commissioner a written evaluation of the charter school's compliance with the statements, assurances,

commitments and representations made by Charterholder in its application for a charter, attachments, and related documents.

13. Criminal History. Charterholder shall take prompt and appropriate measures if Charterholder or the charter school, or any of their employees or agents, obtains information that an employee or volunteer of the charter school or an employee, officer, or board member of a management company contracting with the charter school has a reported criminal history that bears directly on the duties and responsibilities of the employee, volunteer, or management company at the school. Charterholder further represents that the Board and the agency shall be notified immediately of such information and the measures taken.
14. Reporting Child Abuse or Neglect. Charterholder shall adopt and disseminate to all charter school staff and volunteers a policy governing child abuse reports required by Chapter 261, Texas Family Code. The policy shall require that employees, volunteers or agents of Charterholder or the charter school report child abuse or neglect directly to an appropriate entity listed in Chapter 261, Texas Family Code.
15. Notice to District. Charterholder shall notify the school district in which the student resides within three business days of any action expelling or withdrawing a student from the charter school.
16. School Year. Charterholder shall adopt a school year with fixed beginning and ending dates.

<b>Financial Management</b>
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17. Fiscal Year. Charterholder shall adopt a fiscal year beginning September 1 and ending August 31.
18. Financial Accounting. Unless otherwise notified by the agency, Charterholder shall comply fully with generally accepted accounting principles ("GAAP") and the Financial Accountability System Resource Guide, Bulletin 679 or its successor ("Bulletin 679") published by the agency in the management and operation of the charter school.
19. Federal Requirements. Failure to comply with Internal Revenue Service withholding regulations shall constitute a material violation of the charter.
20. Workers' Compensation. Charterholder shall extend workers' compensation benefits to charter school employees by (1) becoming a self-insurer; (2) providing insurance under a workers' compensation insurance policy; or (3) entering into an agreement with other entities providing for self-insurance.
21. Annual Audit. Charterholder shall at its own expense have the financial and programmatic operations of the charter school audited annually by a certified public accountant holding a permit from the Texas State Board of

Public Accountancy. Charterholder shall file a copy of the annual audit report, approved by Charterholder, with the agency not later than the 120<sup>th</sup> day after the end of the fiscal year for which the audit was made. The audit must comply with Generally Accepted Auditing Standards and must include an audit of the accuracy of the fiscal information provided by the charter school through PEIMS. Financial statements in the audit must comply with Government Auditing Standards and the Office of Management and Budget Circular 133.

22. Attendance Accounting. To the extent required by the commissioner, Charterholder shall comply with the "Student Attendance Accounting Handbook" published by the Agency; provided, however, that Charterholder shall report attendance data to the agency at six-week intervals or as directed by the agency.
23. Foundation School Program. . Distribution of funds to the charter school under Section 12.106, TEC, is contingent upon charterholder's compliance with the terms of the charter. Charterholder is ineligible to receive Foundation School Program funds prior to execution of this contract by the board. Within 30 days of receiving notice of overallocation and request for refund under Section 42.258, TEC, Charterholder shall transmit to the agency an amount equal to the requested refund. If Charterholder fails to make the requested refund, the agency may recover the overallocation by any means permitted by law, including but not limited to the process set forth in Section 42.258, TEC.
24. Tuition and Fees. Charterholder shall not charge tuition and shall not charge a fee except that it may charge a fee listed in Subsection 11.158(a), TEC.
25. Assets of Charter. Charterholder shall not apply, hold, credit, transfer or otherwise make use of funds, assets or resources of the charter school for any purpose other than operation of the charter school described in the charter.
26. Indebtedness of Charter. Charterholder shall not incur a debt, secure an obligation, extend credit, or otherwise make use of the credit or assets of the charter school for any purpose other than operation of the charter school described in the charter.
27. Interested Transactions. All financial transactions between the charter school and (a) Charterholder; (b) an officer, director, or employee of Charterholder or of the charter school; or (c) a person or entity having partial or complete control over Charterholder or the charter school shall be separately and clearly reflected in the accounting, auditing, budgeting, reporting, and record keeping systems of the charter school. Charterholder shall not transfer any asset of the charter or incur any debt except in return for goods or services provided for the benefit of the charter school at fair market value.

28. Non-Charter Activities. Charterholder shall keep separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems for the management and operation of the charter school. Any business activities of Charterholder not directly related to the management and operation of the charter school shall be kept in separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems from those reflecting activities under the charter. Any commingling of charter and non-charter business in these systems shall be a material violation of the charter.

<b>Governance and Operations</b>
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29. Non-Profit Status. Charterholder shall take and refrain from all acts necessary to be and remain in good standing as an organization exempt from taxation under Section 501(c)(3), Internal Revenue Code. If Charterholder is incorporated, it shall in addition comply with all applicable laws governing its corporate status. Failure to comply with this paragraph is a material violation of the charter, and the Board may act on the violation even if the Internal Revenue Service, Secretary of State, or other body with jurisdiction has failed to act.
30. Records Retention and Management. Charterholder shall implement a records management system that conforms to the system required of school districts under the Local Government Records Act, Section 201.001 et seq., Local Government Code, and rules adopted thereunder; provided, however, that records subject to audit shall be retained and available for audit for a period of not less than five (5) years from the latter of the date of termination or renewal of the charter.
31. PEIMS Reporting. Charterholder shall report timely and accurate information to the Public Education Information Management System (PEIMS), as required by the commissioner.
32. Conflict of Interest. Charterholder shall comply with any applicable prohibition, restriction or requirement relating to conflicts of interest. If an officer or board member of Charterholder or of the charter school has a substantial interest, within the meaning of Chapter 171, Local Government Code, in a transaction, such interest shall be disclosed in public session at a duly called meeting of the governing body prior to any action on the transaction.
33. Disclosure of Campaign Contributions. Charterholder shall adopt policies that will ensure compliance with the disclosure requirements of State Board of Education Operating Rule 4.3 or its successor.
34. Indemnification. Charterholder shall hold the Board and agency harmless from and shall indemnify the Board and agency against any and all claims, demands, and causes of action of whatever kind or nature asserted by any third party and occurring or in any way incident to, arising

out of, or in connection with wrongful acts of Charterholder, its agents, employees, and subcontractors.

35. Failure to Operate. Charterholder shall operate the charter school for the full school term as described in the charter application in each year of the charter contract. Charterholder may not suspend operation for longer than 21 days without a revision to its charter, adopted by the Board, stating that the charter school is dormant and setting forth the date on which operations shall resume and any applicable conditions. Suspension of operations in violation of this paragraph shall constitute abandonment of this contract and of the charter.
36. Charter School Facility. Charterholder shall have and maintain throughout the term of the charter a lease agreement, title or other legal instrument granting to Charterholder the right to occupy and use one or more facilities suitable for use as the charter school facilities described by the charter. During any period of dormancy granted by the Board, this requirement may be waived by the Board. Facilities occupied and used as charter school facilities shall comply with all applicable laws, including, but not limited to, the Texas Architectural Barriers Act, Article 9102, Vernon's Texas Civil Statutes.

<b>Enforcement</b>
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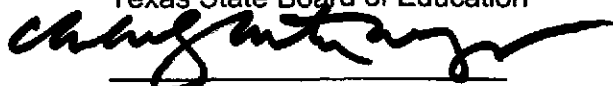
37. Agency Investigations. The commissioner may in his sound discretion direct the agency to conduct investigations of the charter school to determine compliance with the terms of the charter or as authorized in Sections 39.074 and 39.075, Subchapter D, Chapter 39, TEC or other law. Charterholder, its employees and agents shall fully cooperate with such investigations. Failure to timely comply with reasonable requests for access to sites, personnel, documents or things is a material violation of the charter.
38. Commissioner Authority. The commissioner in his sole discretion may take any action authorized by Section 39.131, TEC or Chapter 29, TEC relating to the charter school. Such action is not "adverse action" as used in this contract. Charterholder, its employees and agents shall fully cooperate with such actions. Failure to timely comply with any action authorized by Section 39.131, TEC or Chapter 29, TEC is a material violation of the charter.
39. Adverse Action. The Board in its sole discretion may modify, place on probation, revoke or deny timely renewal of the charter for cause ("adverse action"). Each of the following shall be cause for adverse action on the charter: (a) any material violation of the terms of the charter listed in paragraphs 2, 3, and 20; (b) failure to satisfy generally accepted accounting standards of fiscal management; or (c) failure to comply with an applicable law or rule.



**This Agreement**

- 40. Entire Agreement. This contract, including all referenced attachments and terms incorporated by reference, contains the entire agreement of the parties. All prior representations, understandings and discussions are merged into, superseded by and canceled by this contract.
  
- 41. Severability. If any provision of this contract is determined by a court or other tribunal to be unenforceable or invalid for any reason, the remainder of the contract shall remain in full force and effect, so as to give effect to the intent of the parties to the extent valid and enforceable.
  
- 42. Conditions of Contract. Execution of this contract by the Board is conditioned on full and timely compliance by Charterholder with: (a) the terms, required assurances and conditions of Request for Application #701-97-028; (b) applicable law; and (c) all commitments and representations made in Charterholder's application and any supporting documents (to the extent such commitments and representations are consistent with the terms of this contract).
  
- 43. No Waiver of Breach. No assent, express or implied, to any breach of any of the covenants or agreements herein shall waive any succeeding or other breach.
  
- 44. Venue. Any suit arising under this contract shall be brought in Travis County, Texas.
  
- 45. Governing Law. In any suit arising under this contract, Texas law shall apply.
  
- 46. Authority. By executing this contract, Charterholder represents that it is an "eligible entity" within the meaning of Section 12.101 (a), TEC. Charterholder shall immediately notify the Board of any legal change in its status which would disqualify it from holding the charter, of any violation of the terms and conditions of this contract, or of any change in the chief operating officer of the charter school or Charterholder. Charterholder further represents that the person signing this contract has been properly delegated authority to do so.

Entered into this 1 day of Oct, 1998.

Texas State Board of Education  
  
 By Chase Untermeyer  
 Chairman

Charterholder  
 By 