

SCHEDULE #3A –Fiscal Capacity

Describe your local fiscal capacity to meet your needs for repair and renovation of public school facilities or charter school building acquisition without these grant funds. List and describe the financial resources (other than funds from this grant) that are available to you to meet the school repair, renovation and/or acquisition needs you identified on Schedule #3B-Needs Assessment. Include a description of your ability to raise funds through the use of local bonding capacity or otherwise.

Dallas Can! Academy Charter School was one of the first open-enrollment charter schools approved by the State Board of Education in 1996. We currently have two campuses in Dallas, Texas. As a charter school, we are eligible to receive state funding based on the number of students in attendance each day. We do not, however, have the authority to generate local tax revenue to help support our efforts in assisting at-risk students in grades 9-12 achieve a high school diploma or a General Educational Development (GED) certificate.

Local general obligation bonds are an important mechanism for financing school repair, renovation, and acquisition costs. Unlike local school districts, charter schools must use a conduit (such as a bank, foundation or university) to issue bonds, as we do not have the authority to issue bonds directly. It is costly and complex to negotiate a bond issuance and finding investors is often difficult. More importantly, charter schools have no taxing authority with which to raise funds to repay the bonds. So, while charter schools are technically capable of issuing bonds to raise funds for building acquisition, repair, and/or renovation, the method is rarely considered a feasible option. Instead, most charters fund these costs through a variety of fundraising efforts.

Independent school districts receive some state funding for which charter schools are ineligible. These funds assist the school districts in running their schools efficiently. For instance, small school districts are eligible to receive the “small school adjustment” that increases their per-student state assistance. Independent school districts also receive an instructional facility allotment that helps them keep facilities operating and in good repair. Charter schools must find alternative sources of income to keep their small campuses running.

Dallas Can! Academy has a sixteen-year history of offering at-risk youth the opportunity to earn a high school diploma or GED. The majority of our students come from low-income families and most are at least two grade levels behind where they should be in their schooling. If the students have not already dropped out of traditional high school, they are usually at risk of doing so. Our successful educational model, offering personalized learning programs, structured small classes, vigorous counseling, individual support and positive reinforcement, is costly to run.

Texans Can!, the parent nonprofit of Dallas Can! Academy raises necessary resources through a variety of fundraising activities. Approximately 54% of our revenue comes from donations and contributions. Our long and successful history of helping low-income, at-risk students complete their high school education has earned us considerable community respect and a reputation that results in frequent donations of time and dollars from area citizens, corporations and foundations. These donations help us maintain a program that keeps at-risk students in school working toward earning their diplomas.

Our Cars for Kids program supplements the Academy’s revenue. Cars, running or not, are donated to the program by the community and are subsequently sold via weekly auctions. This program is one of our major sources of income supplementing that generated from the State based on our weighted average daily attendance.

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SCHEDULE #3A –Fiscal Capacity - Continued

Describe your local fiscal capacity to meet your needs for repair and renovation of public school facilities or charter school building acquisition without these grant funds. List and describe the financial resources (other than funds from this grant) that are available to you to meet the school repair, renovation and/or acquisition needs you identified on Schedule #3B-Needs Assessment. Include a description of your ability to raise funds through the use of local bonding capacity or otherwise. This schedule is limited to two (2) pages, front side only, and font size no smaller than 10 point. Any submitted pages that exceed specified page limits, font size, or that do not match the SAS content and format will be removed from the application and will not be reviewed. To be eligible for review, information must be placed on the form provided.

In addition to our Cars for Kids program, we hold an annual golf tournament and a Mother of the Year luncheon. These activities increase the visibility of our school and bring in much-needed revenue to help meet our goals of providing an excellent education to students who have been limited by poverty, neglect, family violence, and/or poor decisions.

Dallas Can! Academy actively pursues federal and state grant opportunities. We recently submitted an application to the U.S. Department of Education for a Dropout Prevention Demonstration Program grant. We have successfully obtained Title X - Public Charter School Start-Up grants and Telecommunications Infrastructure Fund (TIF) grants, and receive entitlement funds (Titles I, II, IV, and VI) to assist us in providing the best programs possible for our students. Dallas Can! Academy also applied for and received e-rate discounts to help defray the high costs of providing telecommunications and Internet access to our students.

We are in the process of launching our first-ever capital campaign to raise the funds needed to provide additional services to our students. Through this effort we hope to raise funds to renovate and improve our current facilities and add a childcare center for our parenting students.

These activities allow us to meet the needs of our students and to maintain our current facilities in good repair. They do not, however, provide enough funds to open new campuses in areas where our services are greatly needed. Funding through this grant will allow us to purchase a building adjacent to our Cars for Kids program where we will offer a predominantly Hispanic population the opportunity to return to school to earn a high school diploma. A portion of them will also be able to learn highly marketable skills in the automotive technology field. Several area car dealers and automotive shops have offered to donate costly equipment with which to run an Automotive Technology Program. To date, over \$400,000 of equipment has been pledged. However, without a building to house the program, we cannot accept these donations. The technology program, once begun, will have a significant impact on our abilities to raise operating funds through our Cars for Kids program. Additionally, it will teach our students valuable skills that will follow them throughout their lives, provide our community with trained and educated young people who can earn a good living when they graduate, and will encourage the students to stay in school and complete their secondary education because they see the benefits of doing so.

We will raise the estimated \$500,000 necessary to renovate the 41,769 square foot building through the activities described above. The structure is a vacant warehouse that, once renovated, will be perfect to meet the Academy's needs. We will build seventeen classrooms, a computer lab, a science lab, and a testing lab in one part of the building for the 500 at-risk, high-poverty students we will serve at the school. Approximately 12,000 square feet of the building will be dedicated to the Automotive Technology Program that will include space for classrooms, body shop, painting areas, and mechanical repair areas.

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SUPPORT SCHEDULE #3B (Part A)

Project Description

Describe the repairs, renovations, or building purchase you propose to make, including a description of the condition of the existing facilities. In the case of a charter school, applicants must also use this space to describe the term (length) of the lease (if the facility is to be leased). With the exception of modifications necessary to meet ADA or section 504 of the Rehabilitation Act standards and/or asbestos abatement/removal in eligible private nonprofit schools, School Repair and Renovation grant funds may not be used to repair, renovate, or purchase a facility or any part of a facility that is, or will be, used for religious worship, religious instruction, or proselytization.

Texans Can!, d.b.a. Dallas Can! Academy, proposes to purchase a 41,769 square foot building located at 9411 Hargrove Drive, Dallas, Texas, to house a third campus that will be located in northwest Dallas. The campus will serve the low-income Hispanic population of this quadrant of the county and will offer its 500 at-risk students the opportunity to earn high school diplomas. As many as 25% of those students will have the opportunity to gain marketable automotive technology skills as well. The asking price for the building is currently \$1,080,000. We estimate that an additional \$500,000 will be needed to ready the building for our students. Receipt of this grant will allow us to purchase the building and begin renovations in order to offer classes by August 2002.

The 26th Annual Official Education Construction Report, May 2000, reports that, in Texas, average per square foot costs for building high schools is \$107 with the median size being 56,750 square feet. In contrast, the warehouse we will convert into a school/voc-tech program has a cost of only \$25.85 per square foot before renovations and \$37.82 per square foot after our planned renovations. Average Texas high schools cost \$11,929 per student while our school will have a cost of only \$2,160 per student before renovations and \$3,160 after renovations.

By purchasing this building outright, Dallas Can! Academy will be able to serve at-risk students for years to come without the added expense of making expensive lease or mortgage payments. As stated earlier, charter schools do not have the same benefit as public schools, which receive state allocations for small schools or allotments for facilities. A greater proportion of our income, as compared to public school districts, must be used for the purchase and maintenance of facilities. Every dollar spent on such costs is money that cannot be used for programs that help our low-income, at-risk students complete their high school education so that they can become productive, responsible, and involved citizens.

The fact that the building is in close proximity to Cars for Kids, one of our major fundraisers, makes this building perfect for our third campus. The building will be used to house both classrooms and an automotive technology vocational program for our students. In addition to their standard high school courses, the students who participate in the vocational program will learn automotive technology skills that will allow them to find gainful employment after graduation. While in school, they “learn by doing” by working on donated cars that will be sold to the public at weekly auctions. All profits from Cars for Kids sales are used to help support our programs.

Texans Can!, the parent organization of Dallas Can! Academy, currently operates six campuses in four Texas cities: two in Dallas, two in Fort Worth, one in Houston, and one in San Antonio. We have the experience necessary to design a facility that meets the needs of our students in a functional and economical manner. We are experienced at ensuring that our schools meet all federal, state, and local codes including those mandated by the Occupational Safety and Health Act, ADA and section 504 of the Rehabilitation Act of 1973, and TEA’s School Facilities Standards. For over 16 years, we have raised the necessary funds to operate and maintain the facilities that house our programs.

After the building is purchased, we will use funds raised elsewhere to build 17 classrooms, a computer lab and a science lab, a testing center, and offices for the school staff. Approximately 10-12,000 square feet of the warehouse will be converted for the auto-tech program. At this time, approximately 75% of the structure also needs to be air-conditioned.

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SUPPORT SCHEDULE #3B (Part A)
Project Description - CONTINUED

Describe the repairs, renovations, or building purchase you propose to make, including a description of the condition of the existing facilities. In the case of a charter school, applicants must also use this space to describe the term (length) of the lease (if the facility is to be leased). With the exception of modifications necessary to meet ADA or section 504 of the Rehabilitation Act standards and/or asbestos abatement/removal in eligible private nonprofit schools, School Repair and Renovation grant funds may not be used to repair, renovate, or purchase a facility or any part of a facility that is, or will be, used for religious worship, religious instruction, or proselytization.

Just for Kids, a nonprofit organization with a mission “to raise academic standards and increase student achievement,” has studied dropout rates in Texas schools by following 1994-95 first-time 9th graders for five years to see how many of them graduated, remained in school in the fifth year without graduating, transferred, or dropped out. This study shows that the high school graduation rate of 1994-95 first time 9th graders is 77%. They found that an additional 3% are still enrolled in school working toward their degrees and the remaining 20% have not graduated from a Texas high school and are not enrolled in a Texas public school. Of these, approximately 4% received a GED. According to Kids Count 2001, a study produced by the Annie E. Casey Foundation, 12% of all Texas students dropped out of school in 1998 and an estimated 11% of those ages 16-19 were not working or attending school. These studies demonstrate the critical need for schools such as Dallas Can! Academy. The fact that our two campuses regularly have a waiting list for students who wish to attend the Academy is further demonstration of the need for a third campus located in an area of the city where there are many young people who need our schools but are not close enough to them.

Studies by the Intercultural Development Research Association (IDRA) show that over two in every five students (42%) enrolled in the ninth grade in Texas public schools during the 1994-95 school year failed to reach and/or complete the 12th grade in the 1997-98 school year. According to these studies, between 1986 and 1998, dropouts cost the Texas economy \$319 *billion* in lost tax revenues, job training costs, unemployment, welfare, and costs of incarceration. Unemployment rates are 75% higher for dropouts as compared to those who have high school diplomas. Ray Perryman, a Texas economist, says that a 10% reduction in the number of high school dropouts in our state would create 175,000 new jobs and a \$200 billion increase in economic output. A 1996 study by Dr. Mark A. Cohen of Vanderbilt University shows that saving one high-risk youth from a life of crime, drug abuse, and/or other costs associated with dropping out of high school contributes a stunning \$2,300,000 to society.

Dallas Can! Academy’s mission is to help alleviate the dropout problem in Dallas, Texas and give at-risk youth the chance to break out of the cycle of illiteracy, poverty and dependence on public assistance facing most of them. The Academy provides personalized, comprehensive and compassionate services, based on traditional values, and offers students ages 16-21 the chance to graduate from high school via a program that offers accelerated education, counseling, positive affirmation, motivation, life-skills development, self-esteem building and vocational readiness. The student body at our two campuses is 49% African American, 46% Hispanic, 5% Anglo, and 1% Asian and/or American Indian. In 1999-2000, over 68% of our students were economically disadvantaged. Our Dallas schools served over 1,600 students during 1999-2000, almost equally divided between ninth, tenth, eleventh, and twelfth grades. In many ways, our schools offer these students a “last chance” because many of them are older than their grade-level peers in traditional schools and are at risk of dropping out of school.

Our schools offer an accelerated, learner-centered curriculum that allows students a way to earn their high school diplomas while only attending class for four hours each day. This schedule allows the youngsters the time they need to work, as many must either support themselves or help support their families. It also allows us to serve more students with less space than that needed by high schools following traditional educational models. A third campus, as described in this section, will allow us to serve an additional 500 students per year who will be given the opportunity to complete their high school education and, if desired, leave our school with both a diploma and automotive technology skills that will allow them to earn a comfortable living and support a family throughout their lives.

SCHEDULE #3B - Project Description (Part B)

With only two exceptions, a local educational agency must use School Repair and Renovation funds only to supplement the amount of funds that would, in the absence of these funds, be made available from other sources for school repair and renovation. Use this schedule to check one of the supplanting exceptions and/or to describing clearly how your proposed project will not violate the non-supplanting requirements.

- This proposed project would use School Repair and Renovation funds to make school facilities modifications necessary to render public school facilities accessible in order to comply with the ADA of 1990.
- This proposed project will use School Repair and Renovation funds to render public school facilities accessible in order to comply with section 504 of the Rehabilitation Act of 1973.

If any portion of School Repair and Renovation funds will be used for purposes other than the two described above, you must describe clearly how your proposed project will not violate the non-supplanting requirements. You must also describe how you will ensure that, when the project is completed, sufficient operational funds will be available from other sources for the effective maintenance and operation of the facility (or facilities) repaired, renovated, or acquired with these grant funds.

Approximately 54% of the operating revenue for Texans Can! Academy comes from donations, contributions, and other private funding sources. We use these funds to operate our schools and to keep them in good repair. As previously described, our program is expensive in that we provide individualized attention to the whole student – academics and social/life skills. We devote tremendous effort to fundraising and have been successful in raising the funds necessary to maintain and operate all of our facilities since Dallas Can! began in 1986 as a nonprofit organization serving non-adjudicated youth.

In Dallas, we raise operating funds via our Cars for Kids donation program, through active solicitation of contributions and donations, and through a variety of fundraising activities such as our Mother of the Year luncheon and our annual golf tournament. Funding for various special projects comes through grant funds – some of which help pay the operating costs associated with the special programs. For instance, our \$719,000 grant funded by the Workforce Investment Act pays the proportionate operating costs, including utilities and security costs, incurred to provide a GED program for low-income, high-risk students.

We are requesting \$1 million in grant funds to allow us to purchase a warehouse building to add a third Dallas Can! Academy campus. Our current capital campaign and other fundraising efforts will raise the additional \$500,000 necessary to renovate the building and make it ready for students.

The building we propose to purchase will house both a third charter school campus plus an automotive technology program where students will learn while repairing vehicles donated through our Cars for Kids program. These cars, once they are in good repair, will be sold at our regular weekly auctions. The costs to run the Cars for Kids program will decrease, as students will be responsible for the repairs that we currently must pay to have done. Some non-running cars that have previously been sold at auction for parts will be sold as running cars because our students, in their auto-tech classes, will have repaired them. Any income, after expenses, generated from the Cars for Kids program help meet the costs of operating our programs.

Local automotive shops have requested that we begin an automotive technology program for our students and have offered to donate a large portion of the equipment necessary for the program. They have also promised to lend us their expertise and in-kind services to ensure the success of the program. Without a building to house the program, we cannot accept these donations nor are we able to give our students the opportunity to learn valuable auto-tech skills.

This grant will allow us to purchase the building to house the program for which there are otherwise no funds available. We have the means and expertise to renovate and maintain the facility but are unable to fund the cost of its initial purchase through our operating budget.

SCHEDULE #3C—Timeline of Project Activities

Activities to Accomplish Project	Positions Responsible	Estimated Beginning Date (mm/dd/yy)	Estimated Completion Date (mm/dd/yy)
Negotiate preliminary terms	Director of Special Operations	December 15, 2001	January 2, 2002
Expert review of site and costs	DSO	January 2, 2002	January 15, 2002
Review Code, Fire and Safety Issues and Ensure Compliance	DSO	January 2, 2002	January 15, 2002
Negotiate final terms of purchase	DSO, Chief Operating Officer, and Chief Financial Officer	January 15, 2002	January 30, 2002
Planning and Design of Facilities	DSO	January 2, 2002	January 31, 2002
Obtain required zoning and permits	DSO	February 7, 2002	February 28, 2002
Bidding / Selection of Contractors for Renovation	DSO	February 7, 2002	February 28, 2002
Construction and completion of renovation activities	DSO	March 1, 2002	June 15, 2002
Punch List (Final construction items)	DSO	June 15, 2002	July 15, 2002
Open school	Superintendent, Principal, Staff	August 2002	

GRANT FUNDS WILL BE USED TO PAY ONLY FOR ACTIVITIES OCCURRING BETWEEN THE BEGINNING AND ENDING DATES OF THE GRANT AS SPECIFIED ON THE NOTICE OF GRANT AWARD. THIS SCHEDULE IS LIMITED TO TWO (2) PAGES, FRONT SIDE ONLY, FONT SIZE NO SMALLER THAN 10 POINT. Any submitted pages that exceed specified page limits, font size, or that do not match the SAS content and format will be removed from the application and will not be reviewed. To be eligible for review, information must be placed on the form provided.

SCHEDULE #3D –Facilities Management Plan

Describe a plan for maintaining, in good condition, any facility whose purchase, repair, or renovation is assisted with School Repair and Renovation grant funds. This plan should include both short - and long-term facilities management strategies. Applicants must also include a description of strategies that will be used during the project's implementation to ensure its successful completion on time and within budget.

Texans Can!, has been in business for over 16 years. We were one of the first applicants to be granted a charter by the State Board of Education in 1996. Since that time, we have successfully opened and maintained six campuses: two in Dallas, two in Fort Worth, one in Houston, and one in San Antonio. We currently hold a charter to open a school in Austin, which we will do when start-up funds have been raised.

We have an experienced Director of Special Operations on our staff who oversees all of our facilities. He has been successfully involved in the opening of two Texans Can! campuses. The Director works closely with school leaders to ensure that all facilities are maintained in accordance with all federal, state, and local requirements, including TEA's School Facilities Standards. We solicit bids to ensure that qualified bidders, including small, minority, and women-owned businesses, have an opportunity to complete necessary repair and renovation work on our schools. We are always mindful of ensuring that all work is done in a functional, non-elaborate way that gives us the best value for our investment.

Written contracts will be required for all work performed that is in excess of \$10,000. Copies of the contracts will be maintained in a safe location and files will include rationale for why the particular contractor was chosen. Contracts in excess of \$10,000 will include a description of how the contract can be terminated, including the basis for settlement. Records will be maintained on services provided, including the date and purpose of the services. No grant funds will be used to make payments to contractors until after services are performed.

Short Term Facilities Management Plan

Short-term plans are developed during the annual budgeting cycle based on needs at each campus. Included in these plans are:

- A full-time maintenance person for routine maintenance and repairs.
- An outsourcing plan for larger projects beyond the scope of the maintenance person.
- Contingency funds for emergency or unexpected repairs.
- Contracted grounds maintenance.
- Security system.
- Annual reviews and evaluations of existing maintenance contracts.

Long Term Facilities Management Plan

Long-term plans are included in our written deferred maintenance plans. These plans include:

- Maintaining adequate insurance on all property and conducting periodic reviews of insurance needs.
- Performing periodic reviews and evaluations of infrastructure and exostructure.
- Conducting a biannual asbestos maintenance review according to the Asbestos Management Plan.
- Repairing and/or replacing roof, HVAC, and electrical needs
- Maintaining a fire safety system

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