



Brownsville Independent School District

Agenda Category: General Function Board of Education Meeting: 06/24/2026

Item Title: Budget Amendment #025 X Action
Information
Discussion

BACKGROUND:

The Texas Education Agency Department of Grant Compliance and Administration completed a review of Brownsville Independent School District's 2020-2021 Elementary and Secondary School Emergency Relief grant award. A final report of the review has been provided to the District and a total of \$573,571.74 was refunded to TEA to adhere to the final report. The following Budget Amendment is to set up the funds that were reimbursed (refunded) to TEA through a prior period adjustment.

FISCAL IMPLICATIONS:

Fund 199 – Local Maintenance Fund – Prior Period Adjustment - \$573,571.74 (Refunded)

RECOMMENDATION:

Recommend approval of Budget Amendment #025 in the amount of \$573,571.74 for Fund 199 – Local Maintenance Fund – Prior Period Adjustment. (Refunded) (Unassigned Fund Balance)

Lyzeth Alaffa
Submitted by: Principal/Program Director

Approved for Submission to Board of Education:

Recommended by: Asst. Supt./Exec. Dir.

Dr. Alda T. Benavides, Interim Superintendent

Rosario Peña
Approved by: Chief Officer



AN EARLY COLLEGE DISTRICT

BROWNSVILLE

INDEPENDENT SCHOOL DISTRICT

Dr. Alda T. Benavides
Interim Superintendent

TO: Rosario Peña
Chief Financial Officer

FROM: Lyzeth Alaffa
Director for Finance & Business Manger

DATE: June 16, 2026

SUBJECT: Budget Amendment #025

The Texas Education Agency Department of Grant Compliance and Administration completed a review of Brownsville Independent School District's 2020-2021 Elementary and Secondary School Emergency Relief grant award. A final report of the review has been provided to the District and a total of \$573,571.74 was refunded to TEA to adhere to the final report. The following Budget Amendment is to set up the funds that were reimbursed (refunded) to TEA through a prior period adjustment.

On June 5, Brownsville ISD Administration participated in a video conference with representatives from the Texas Education Agency (TEA) regarding correspondence received on May 14, 2026 related to an open compliance review issued on April 22, 2024, which required corrective action by the District.

During the meeting, TEA clarified in order to satisfy the Final Report requirements, the District was required to process the refund immediately (5 calendar days). Additionally, TEA confirmed the opportunity to appeal the review window closed on May 22, 2024.

The District was required to remit a total refund of \$573,571.74 and submit a formal letter on District letterhead outlining designated contact staff and the procedures implemented to prevent similar issues in the future.

TEA further clarified, refunds issued to TEA are not considered discretionary funds and do not require procurement processing, as they are not classified as expenditures but rather as settlements of federal funds previously received by the District.



April 22, 2024

Jesus H. Chavez
Superintendent
Brownsville Independent School District
1900 Price Rd
Brownsville, TX 78521-241

**Transmitted by Electronic Mail
Immediate Action Required**

Subject: ESSER Non-Compliance Resolution (NCR-ESSER-FY23-05)

Dear Dr. Chavez:

The purpose of this letter is to notify you of federal grant requirements imposed on your LEA by federal statute and Education Department General Administrative Regulations (EDGAR) requiring action by the Texas Education Agency (TEA). If you have any questions or concerns regarding the contents, phrasing, or terminology in this letter please reach contact the Federal Compliance Officer at NonCompResolution@tea.texas.gov.

As a result of these requirements, the Department of Grant Compliance and Administration (GCA) at TEA is issuing a non-compliance resolution action on your organization. This non-compliance resolution action requires your organization to return funds to TEA.

Reason for Non-Compliance Resolution Action

This non-compliance resolution action is based upon findings identified by TEA, as part of its federally required subrecipient monitoring functions, in the TEA Final Report - Review of the Financial Management System Controls and Compliance with Requirements for the **2020-2021 Elementary and Secondary School Emergency Relief (ESSER) Grant** on February 14, 2023. These findings are related to a fiscal compliance review conducted by TEA's Special Monitoring Division (SMD). The final report indicated that your organization did not comply with federal requirements under EDGAR. The specific findings have been outlined in your previously received TEA Final Report of Findings and Observations for Brownsville Independent School District .

The findings identified by TEA, which includes questioned costs, illustrate the degree that your organization failed to comply with laws, regulations, and grant requirements and to maintain proper internal controls over its federal programs. Therefore, pursuant to [2 CFR §§200.339\(b\)](#), [200.410](#), and [200.345\(a\)\(1\)](#), TEA is requiring the following non-compliance resolution actions from your organization, and as applicable, disallowing the questioned costs described in the following table:

Grant Name	NOGA ID	NOGA Period	Disallowed Costs
Elementary and Secondary Emergency Relief (ESSER) Grant	20521001031901	08/19/20-09/30/22	\$573,571.74

Completing the Non-Compliance Resolution Action

You must complete and submit all required non-compliance resolution actions and documentation described in the table below by the given deadline to TEA at NonCompResolution@tea.texas.gov. TEA will review your documentation and either contact you for more information or send you a non-compliance resolution closure letter and email confirming that you have completed and submitted all the required non-compliance resolution actions and documentation.

Findings	Required Non-Compliance Resolution Action
<p><u>Finding 1:</u> Brownsville ISD did not demonstrate it adequately maintained effective budgetary control of grant expenditures. More specifically, the district used ESSER grant funds for payroll costs that were incurred and paid during the grant period pre-award period (March 13,2020 through August 19, 2020). However, based on the review of the pre-award budget approved in the grant application, it was determined that the amount charged for payroll costs during these months exceeded the total amount of grant funds approved in the pre-award period under object code 6100. Upon notification, the district stated that they will take corrective actions to reclass pre-award payroll costs out of the ESSER I grant and charge new payroll costs that are inside of the grant period to the ESSER I grant program and forward copies of the journal entries to resolve the questioned costs.</p> <p><u>Finding 2:</u> In 2 instances, expenditures for positions paid from the federal award were not allowable. Costs were obligated outside of the approved grant period. Brownsville ISD has stated that they will remove these payroll expenditures from the grant to resolve the questioned costs.</p>	<ol style="list-style-type: none"> 1. Submit a refund of the disallowed costs for \$573,571.74 or documentation the payroll expenditures were reclassified. 2. Submit the following Non-Compliance Resolution Documentation for Findings 1 and 2. <ul style="list-style-type: none"> • Provide documentation of the preventative policies, procedures, or strategies to prevent the recurrence of this finding. • Provide the staff member(s) responsible for the communication, training, and implementation of the preventive policies, procedures, or strategies to prevent the recurrence of the findings. • Provide documentation of communication or training provided to the appropriate staff of any new or revised policies and procedures that address the non-compliance resolution findings (e.g., dates of staff communication or training, staff role/department who received these communications or training, location of training(s), copies of the staff communication or training sign-in sheets, etc.).

Response to this Non-Compliance Resolution Action

Your organization has the following immediate options to respond to this letter notifying you of findings requiring non-compliance resolution action, as described below:

1. Submit refund, and
2. Submit required documentation of Non-Compliance Resolution actions to TEA; or
3. Appeal this Non-Compliance Resolution Decision by TEA.

Submitting a Refund

If your organization has identified the disallowed costs above and chooses not to appeal this decision, proceed with submitting the amount of the total disallowed costs to TEA **within thirty calendar** days of the date of this letter. You can submit your refund by wire transfer or mailing in a check.

Refund Wire Option

Contact Cal Lopez, the TEA Federal Compliance Officer, at NonCompResolution@tea.texas.gov or (512) 463-9017.

Refund Check Option

Submit your check made payable to the Texas Education Agency for the total refund amount due. Include the following information on your check:

- NOGA ID
- ESSER Refund
- Refund Code 7 Other: ESSER Non-Compliance

Include your non-compliance resolution letter with your refund check to ensure your payment is posted to the appropriate grant or program.

Mail your refund check and a copy of your non-compliance letter to the address below:

Texas Education Agency—MSC
P. O. Box 13717
Austin, TX 78711-3717

In accordance with [2 CFR §200.339\(a\) and \(e\)](#), TEA may withhold all further cash payments to your organization related to the grant awards listed above and withhold further awards for those programs if the full amount of the refund is not submitted to TEA **within 30 calendar days** of the date of this letter. This refund must be made using **state and/or local funds; federal funds cannot be used**.

Deadline for Appeal

Please be advised that your organization may request a hearing concerning this non-compliance resolution action under the provisions in the Texas Administrative Code (TAC), [19 TAC §157.1083](#). The hearing must be requested within 30 calendar days of the date of this letter and must be requested in accordance with the procedures specified in [19 TAC §157.1083](#). If you request a hearing, your request must specify:

1. The action or proposed action that is the subject of the requested hearing,
2. The statutory or regulatory authority identifying and supporting a finding that a violation occurred by TEA in enforcing this decision, and
3. Specific facts supporting a finding that the action taken by TEA is in error.

Hearing Request by e-filing System

The division of hearings and appeals does accept electronic filing through the [TEA Hearings and Appeals Electronic Filing Portal](#) on our TEA website.

Hearing Request by Mail

The request for hearing must be mailed by certified mail, return receipt requested; transmitted by facsimile to (512) 475-3662; or hand delivered to:

Director of Hearings
Texas Education Agency
1701 N. Congress Ave., Ste. 2-150
Austin, TX 78701-1494

The request for a hearing shall be deemed filed at the time it is received by the director of hearings or the designated docket clerk in the TEA Division of Hearings. The opportunity to request a hearing will be **void thirty-one calendar days** after the date of this letter.

Potential Consequences of Failing to Comply

Failure to complete the non-compliance resolution action **within thirty calendar days from the date of this letter may result in** TEA taking further non-compliance resolution actions against your organization. TEA is authorized by [2 CFR §200.339](#) to take one or more of the following non-compliance resolution actions related to federal grants as appropriate:

- Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action
- Disallow all or part of the cost of an activity or action not in compliance.
- Wholly or partly suspend or terminate the Federal award.
- Initiate suspension or debarment proceedings.
- Withhold further Federal awards for the project or program.
- Take other remedies that may be legally available.

TEA Non-Compliance Resolution Resources

- For more information visit our Non-Compliance Resolution Process [Non-Compliance Resolution Process](#) webpage.

TEA Contact Information

- For questions regarding the submission of the refund, contact TEAExpenditures@tea.texas.gov.
- For questions related to the content in this letter, contact Cal Lopez, the TEA Federal Compliance Officer, at NonCompResolution@tea.texas.gov or (512) 463-9017.

Sincerely,



Cory Green, Associate Commissioner and Chief Grants Officer
Department of Grant Compliance and Administration

cc: Alejandro Cespedes, Chief Financial Officer
Mary Lou Esparza, Director of Federal Programs
Mike Meyer, Deputy Commissioner of Finance
Matt Lashlee, Executive Director, Federal Compliance and Support
Nick Davis, Chief of Staff for Department of Grant Compliance and Administration

Lyzeth F. Alaffa

From: Lopez, Cal <Cal.Lopez@tea.texas.gov>
Sent: Friday, June 5, 2026 11:36 AM
To: Lyzeth F. Alaffa
Cc: Hicks, Susan; NonCompResolution
Subject: Fw: Brownsville ISD Non-Compliance Resolution | ESSER Refund and Documentation Due (NCR-ESSER-FY23-05)
Attachments: Brownsville ISD_ESSER I_Letter_04.22.24.pdf; Brownsville ISD - Final Report of Findings and Observations.pdf

CAUTION: This email originated from outside of Brownsville ISD. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning,

Attached are the Non-Compliance Resolution letter and final monitoring report for your records. Susan and I can be available to meet this afternoon or sometime next week. Just let me know some dates and times that work for you and your staff.

Thank you,
Cal Lopez

From: Lopez, Cal <Cal.Lopez@tea.texas.gov>
Sent: Thursday, May 14, 2026 11:43 AM
To: atbenavides@bisd.us <atbenavides@bisd.us>
Cc: rpena@bisd.us <rpena@bisd.us>; Hicks, Susan <Susan.Hicks@tea.texas.gov>; Newby, Djuna <Djuna.Newby@tea.texas.gov>; NonCompResolution <NonCompResolution@tea.texas.gov>
Subject: Brownsville ISD Non-Compliance Resolution | ESSER Refund and Documentation Due (NCR-ESSER-FY23-05)

Dear Dr. Benavides,

Our records indicate that we have not yet received the **2020-2021 ESSER Grant** Non-Compliance Resolution refund of **\$573,571.74** and documentation due to TEA, and your organization is currently out of compliance.

The initial email was sent on **April 22, 2024**, indicating that your refund and documentation was due on **May 22, 2024**. Attached is the original Non-Compliance letter for your reference. Please provide an update on the documentation status.

Potential Consequences of Failing to Comply

Failure to complete the corrective action within **five calendar days** from the date of this email may result in TEA taking further non-compliance action against your organization. TEA is authorized by 2 CFR §200.339 to take one or more of the following enforcement actions related to federal grants as appropriate:

- Temporarily withhold cash payments pending correction of the deficiency or more severe enforcement action.
- Disallow all or part of the cost of an activity or action not in compliance.

- Wholly or partly suspend or terminate the Federal award.
- Initiate suspension or debarment proceedings.
- Withhold further Federal awards for the project or program.
- Take other remedies that may be legally available.

If you have any questions, please email us at NonCompResolution@tea.texas.gov or contact the Federal Compliance Officer, Cal Lopez directly at 512-463-9017.

Sincerely,
Cal Lopez



Cal Lopez

Federal Compliance Officer

Federal Compliance Unit

Department of Grant Compliance and Administration

512-463-9017

Cal.lopez@tea.texas.gov

tea.texas.gov/finance-and-grants/grants

February 14, 2023

No Response Required
Sent by email
to rene.gutierrez@bisd.us

Rene Gutierrez
Superintendent
Brownsville Independent School District
1900 Price Rd
Brownsville, TX 78521-2417

Subject: Final Report of Findings and Observations

Dear Dr Gutierrez:

Staff from the Special Monitoring Division have completed their final review of Brownsville Independent School District's (BISD) administration of the 2020-2021 Elementary and Secondary School Emergency Relief grant awarded by TEA. The review was conducted through written correspondence and was limited to the records provided by BISD in response to formal correspondence dated May 27, 2021 and November 30, 2021, as well as other informal inquiries.

Your response to the Preliminary Report of Findings and Observations dated October 11, 2022 has been reviewed and a summary has been incorporated into the body of this Final Report of Findings and Observations, as deemed appropriate.

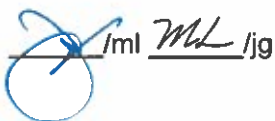
TEA considers this review closed. However, the records submitted by your organization remain subject to review by appropriate federal or state oversight entities. You will be notified in the event a follow up to the review is scheduled.

We appreciate your cooperation during the conduct of our review. Should you have any questions, please contact me at 512-463-9707.

Sincerely,

Noah Rademacher

Noah Rademacher, Senior Auditor
Special Monitoring Division



/ml ML /jg

cc: Cory Green, Associate Commissioner, Department of Grant Compliance and Administration, TEA
Matt Lashlee, Senior Director, Special Monitoring Division, TEA
Jose De La Garza, Manager, Special Monitoring Division, TEA
Michael Loya, Manager, Special Monitoring Division, TEA
Mary Garza, Director of Finance/Budget, mdgarza@bisd.us
Nereida Cantu, Deputy Superintendent for Business & Operations, drncantu@bisd.us

Enclosure (1)

Department of Grant Compliance and Administration
Special Monitoring Division



Brownsville Independent School District
CDN: 031-901

February 2023

Final Report

Review of the Financial Management
System Controls, Compliance with
Requirements for 2020-2021
Elementary and Secondary School
Emergency Relief Grant

Section 1 - Summary of Findings and Observations

General Conclusion

It was observed that certain fiscal controls were not adequately implemented by Brownsville Independent School District to ensure proper administration of the grant and to facilitate compliance with applicable standards and criteria.

Description and Criteria	Finding Number
Financial Management System and Accounting Records:	
1. The financial management system must identify all federal awards received and the associated federal programs. 2 CFR 200.302(b)(1)	None
2. The financial management system must provide accurate, current, and complete disclosure of the financial results of each federal award or program meeting all applicable reporting requirements. 2 CFR 200.302(b)(2)	None
3. The accounting records must identify the source and application of funds used for federal activities and contain information pertaining to federal awards, authorizations, obligations, unobligated balances, assets, expenditures, and income and interest. 2 CFR 200.302(b)(3)	None
4. Fiscal controls and fund accounting must be used to ensure proper disbursement and accounting of federal funds. 34 CFR 76.702	None
5. Records must be kept to fully show the amount of the award, expenditures, total project costs, costs paid from other sources, and other records needed to complete an audit and demonstrate compliance with program requirements. 34 CFR 76.730-731	None
Internal Controls:	
1. There are effective controls over and accountability for, all funds, property, and other assets. 2 CFR 200.302(b)(4)	None
2. A system of internal controls has been established, implemented, and maintained to provide reasonable assurance management of the federal award is in compliance with federal statutes, regulations and the terms and conditions of the grant, and must be supported by source documentation. 2 CFR 200.303	None
Budgetary Controls:	
1. Records must provide for a comparison of expenditures with budgeted amounts. 2 CFR 200.302(b)(5)	None
2. Deviations from the budget, project scope, or objective must be reported and budget and program revisions must be requested and have prior approval from the awarding agency. 2 CFR 200.308(b)	Finding 1

Description and Criteria	Finding Number
Cash Management:	
1. Written procedures are required to implement the federal requirements for payments. 2 CFR 200.302(b)(6)	None
2. Payment methods must minimize the time elapsing between the transfer of funds from TEA and the disbursement by the organization. 2 CFR 200.305(b)	None
Allowability of Costs:	
1. Allowable costs are those that are necessary, reasonable, and allocable for the performance of the federal award. Policies and procedures for allowable costs must be applied consistently and uniformly to both federally-financed and other activities. Additionally, certain costs require the approval of TEA. 2 CFR 200 Subpart E	None
2. Written procedures are required for determining the allowability of costs in accordance with 2 CFR 200, Subpart E—Cost Principles. 2 CFR 200.302(b)(7)	None
3. Adequate documentation is required for costs to be allowable. Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. 2 CFR 200.403(g) and 2 CFR 200.430(i)	None
Period of Performance and Obligation of Funds:	
1. Only allowable costs may be charged to the grant during the period of performance. Any cost prior to the award period must be authorized by TEA. 2 CFR 200.309	Finding 2
2. Federal requirements must be followed to determine when obligations of funds are made and obligation of funds during a carryover period. 34 CFR 76.707-710	None
Procurement Standards:	
1. Federal regulations require compliance with procurement standards. Local procurement procedures must be developed and implemented to reflect and conform to applicable local, state, and federal laws, regulations, and standards. 2 CFR 200.318-326	Finding 3
2. Federal suspension and debarment requirements must be followed and adhered to as part of the procurement process. 2 CFR 200.213	None
Inventory Controls	
1. Federal regulations require compliance with property management standards. Local procurement procedures must be developed and implemented to reflect and conform to applicable local, state, and federal laws, regulations, and standards. 2 CFR 200.313	None

ESSER - Grant Specific Requirements	
1. There was compliance with the reservation of ESSER funds for services to eligible private school students in accordance with the amounts identified in Section 5 of the 2020-2021 Elementary and Secondary School Emergency Relief (ESSER) Grant Application, as amended. Assistance to Non-public Schools- Section 18005(b) of the CARES Act	None
2. Private School Participation-Assistance to Non-public Schools. Provide equitable services in the same manner as provided under section 1117 of the ESEA of 1965 to students and teachers in non-public schools, as determined in consultation with representatives of non-public schools To the extent consistent with the number of eligible students enrolled in private schools in the area, the organization shall provide, on an equitable basis, special educational services or other benefits that address their needs under the Title I, Part A grant program, to eligible students enrolled in private schools. Section 18005 of the CARES Act and ESSA P.L. 114-95 Section 1117	None

Total Questioned Costs

\$573,571.74

Recommendation to Brownsville Independent School District

Please review this report carefully and take appropriate corrective actions to address the observations, recommendations, and required actions. We will examine your response to ensure that it adequately addressed the findings and questioned costs related to the findings, if applicable.

Brownsville Independent School District's Response

BISD provided a response to TEA staff's Preliminary Report of Findings and Observations dated October 11, 2022. BISD concurred with findings 1 and 2 in the preliminary report and provided supporting documentation outlining the corrective actions that were taken to resolve the findings. For finding 3, BISD provided additional documentation and an explanation around their procurement process which has resolved the finding. (Refer to attachments A & B).

TEA Addendum

TEA has examined BISD's response, and we concur with the implemented corrective action plan that addresses the findings. However, additional documentation was required for the reclassified costs for findings 1 and 2. This documentation was not provided and has resulted in the questioned costs for finding 1 and 2 not being adequately resolved. As a result, staff will recommend an enforcement action to follow up on pending corrective actions resulting from this review.