

STATE OF TEXAS

(Minutes conducted via electronic voting)

COUNTY OF CAMERON

BE IT REMEMBERED, that on the **19th day of February, 2026**, the Board of Trustees of the Brownsville Independent School District met in a **Special Called Board Meeting** at the Administration Building, 1900 Price Road, Brownsville, Texas, for the purpose of transacting any and all business that came before the Board and with the following to wit:

PRESENT:

Daniella Lopez Valdez	President
Frank Ortiz	Vice-President
Minerva Pena	Secretary
Carlos Elizondo	Board Member
Denise Garza	Member
Jessica Gonzalez	Member
Neida Ruth Grantland	Member

ABSENT:

ALSO PRESENT:

Dr. Jesus H. Chavez	Superintendent of Schools
Eden Ramirez	Attorney for the Board

ALSO ABSENT:

None

WHEREUPON, a quorum being present and it appearing before the Board, it is hereby so found that notice of this **Special Called Board Meeting** has been duly given in the manner and for the length of time as prescribed by law. The meeting was called to order and declared ready for the transaction of business with the following to wit:

I. Special Called Board Meeting called to order by Daniella Lopez Valdez, Board President at 6:24 p.m.

Recess: 6:24 p.m.
Board Reconvenes: 6:46 p.m.

II. Moment of Silence led by Dr. Jesus H. Chavez, Superintendent.

III. Pledge of Allegiance led by Jessica Gonzalez, Board Member.

IV. Roll Call. Daniella Lopez Valdez, Board Member announced that all Trustees were present.

V. Recommend approving the agenda of the Special Called Board Meeting of Thursday, February 19, 2026, with any corrections/deletions.

Dr. Jesus Chavez, Superintendent stated the following:

Handout 1 added to official minutes

Under VIII. A. Level III Grievance Item 1 will be deleted from agenda and backup and Item 3 will be deleted from agenda and backup

Motion was made by Jessica Gonzalez, seconded by Daniella Lopez Valdez, and unanimously carried to recommend approving the agenda of the Special Called Board Meeting of Thursday, February 19, 2026 with the deletions as stated by administration. (7-0-0)

VI. PUBLIC COMMENT:

No Public Comment Speakers

The Board may deliberate or take action regarding the following agenda items.

Board policy BE (Local) and Robert's Rules limits debate to two opportunities. A Trustee may debate a motion for three minutes on the first speaking opportunity and two minutes on the second opportunity.

VII. ACTION ITEM(S):

A. Recommend approval of the following General Function Item(s):

1. Recommend approval of the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025.

Handout 2 added to official minutes

Ms. Rosario Pena, Chief Financial Officer stated, good evening, Madam Board President Daniella Lopez -Valdez, Superintendent Dr. Chavez, and Board Members. Tonight, we have the CPA firm of Burton, McCumber, and Longoria, who will be delivering the presentation of the District's annual comprehensive financial report for the fiscal year ending June 30, 2025. Mr. Ricky Longoria, Manager stated, my name's Ricky Longoria, and I'm the Managing Partner of the firm Burton McCumber & Longoria with me today. I have two audit partners. I have Mr. Luis Lopez, who's an audit partner within the firm. I also have Mr. Lisandro Garcia, who's also an audit partner within the firm. Lisandro, just so you'll know what our role has been in this entire process, Lisandro has been the partner in charge of the hands-on fieldwork, probably the person that most people saw, you know, during the entire audit, whereas myself and Mr. Lopez are probably more behind the scenes. Again, we are here to present the audit report for the year ended June 30th, 2025. Prior to this meeting, we certainly had a exit conference with Ms. Pena and her staff, I guess it was last week sometime, to go over the things that we were going to discuss today. We also had an exit conference with Dr. Chavez earlier today for which Ms. Pena was present and so we certainly believe that those exit conferences are important as we certainly want to be as transparent with everybody as much as we can in terms of things that we intend to discuss with the Board today. Prior to them getting started, I do want to thank you all for choosing our firm to be the firm of choice for Brownsville ISD. Certainly with an office located in Brownsville, we enjoy being part of the community and certainly being part of

the Brownsville Independent School District. So with that said, I'm going to let Mr. Garcia start and Mr. Lopez will jump in as needed or as part of the audit report. Thank you. Mr. Lisandro Garcia, Partner stated, good evening, everybody. So as Mr. Longoria mentioned, my name is Lisandro Garcia. I'm the partner in charge of the audit for Brownsville Independent School District. I'm also a proud alumni of Class 2000 Porter High School. Ms. Minerva Pena, Board Member stated, Go Porter. Mr. Garcia continued, go Porter, that's right. Ms. Pena stated, I was in the first class of graduation. Mr. Garcia continued, and so tonight, we're here to present. Ms. Pena interjected, with the superintendent. Mr. Garcia continued, Oh, also? All right. So tonight I wanted to go ahead and start off with just some required information that us as auditors should have with the board and governance. And so really quick is basically what we were hired to do, which we were engaged back in early June to reform the financial statement audit for the year ended June 30th, 2025. And as part of that process, we're required to communicate some of these items that I'll go through real quick with you. One of them is definitely if there was any basically, if there was any certain new financial statement standards that were incorporated during the year, of which there was, this year was a little unique. All districts across the state had to incorporate GASB 101, which related to putting compensated absences on the face of the financial statements for this year. And so that was one difference compared to prior years. Certainly, other things that we would have to mention are if there's any significant estimates used or done by management to produce these financial statements of which some of the more sensitive ones relate to the allowance for uncollectable on the receivables for the taxes receivables, as well as the depreciation expense and methodology used for those capital assets that the district holds. Another thing that we would like to, that we have to also highlight is if there's any difficulties encountered during the audit process. And so although we want to highlight that we did not encounter any difficulties with management per se or the staff, actually they were very cooperative through the process. They were very, we worked constructively with them through the process since we were new to it, new as auditors. But we did experience, because through the process we did experience more than expected general journals that audit process. And also, we had some slight delays on time, more so from late approval of the auditing standards that we get every year that tell us how to do the audit process on the single audit and the federal funds. And because of that, also, TEA decided to delay and give an extension for the June 30th audits to now be delivered at the end of the month, February 27th. So, just wanted to highlight those. Also, through the audit process, there's multiple representations that we get from management. Some of them are verbal. Some of them are in writing. And so, with that, there was a representation letter signed by management provided to us as part of this audit process. and for that I'm going to go ahead and turn it over to my colleague Luis Lopez who will go over a little bit on the financial side. Mr. Luis Lopez, Partner stated, good evening, Madam President, members of the Board, Dr. Chavez. Again my name is Luis Lopez. Before I get started and jump into the report I do want to turn your attention to page 11, we do like to recognize achievements and I do want to recognize the district for obtaining the Certificate of Achievement for Excellence in Financial Reporting related to the prior year report. And so, the district has been a part of this program where the, their financial report is submitted to the Government Finance Officers Association for

review. And the district has been able to achieve, obtain this certificate, this recognition for 17 years. So that's just a, shows the commitment of the district's transparency. And in saying that, this report is an annual comprehensive financial report, which is more than the minimum required for a school district to present. And again, just recognizing the fact that the district did receive that award. My understanding is this report will also be submitted for consideration for the fiscal year 2025. Jumping right into page 17, this is the independent auditor's report. This is the page that is on our letterhead. The district is receiving an unmodified opinion, which is a clean opinion. the same opinion that the district has been accustomed to receiving in previous years, so what that means is that we believe that based on our testing that the financial statements as are presented within this financial report are fairly stated in all material respects, and this is a 200 page report, almost 200 page report. My intent is not to go through all the numbers. So, I'm just going to focus on a couple of numbers that we feel are the most important. And so, when we present to a government or a school district, we always say, what is the most important number that the board should be concerned with? What is the most important number that the board should know what it is, how it's moving, how it's trending, right? And so, we always say, focus on the general fund, your unassigned, your undesignated fund balance, right? And so at June 30, 2024 if you turn your attention to page 33 there is a column for general fund. Three rows from the bottom there is a line item labeled 3600 Undesignated Fund Balance. So at June 30, 2025 the Unassigned/Undesignated fund balance was \$131,917,714. And so in saying that number you may be wondering is that Is that a good number? Is that a bad number? So we always revert back to what TEA recommends, right? And so TEA has a minimum requirement for a school district to maintain 75 days of Unassigned Fund Balance in their General Fund. And so running that calculation, the district is at 92.6 days. And so the district met that minimum requirement and it exceeded that requirement as well. In comparing to the prior year, the district did fall right in line with the prior year as well. So again, this year was 92.6. Last year, the district was at 90 days. So pretty consistent as compared to the prior year. Flipping two pages down to page number 36. Again, you might be interested in how the General Fund did for the year, and what I'm talking about here is going to be in Fund Balance as a whole, right? Right now that we talked on the balance sheet, we focused on the Unassigned Fund Balance, which is a component of the overall fund balance, and so when we're talking about changes in fund balance on this page. We're talking about your overall change in your overall fund balance. So if you look at four lines from the bottom, there's a line item labeled 1,200 net change in fund balance. So for the fiscal year end at June 30th, 2025, the district had an overall increase in the fund balance of \$8,853,654. I do want to mention part of that increase in the fund balance was related to the sale of property. There was a sale of property which generated about \$17.1 million this year. And so, again, your overall net change in fund balance was \$8,853,000. If you were to back out that sale of property, which is a one-time transaction, your expenditures did exceed your revenues by \$11,626,084. I'm going to jump over quite a bit down to page 114. So we've been making it a point, because this is something we've seen trending in school districts this year and in recent years, is just the overall increase in health care costs, your self-funded health insurance. And so for purposes of this meeting, the message we want to convey is keep an

eye on these funds. You may notice on this page, between your health insurance and your workers' comp, these funds do have a net position deficit of 17.7 million dollars for the year ended or as of June 30, 2025. And so, one of the things that districts are doing, there's different ways to address these deficits, right? You could look at reducing costs. You could look at increasing rates into the health insurance. But one that is probably more feasible is transferring in, getting that support from the general fund to alleviate some of the some of these or resolve some of these increasing costs. I do want to make mention there was an error on one of the funds that was reported in the prior year so there was a restatement. Basically, what that is it's a correction of an error of a balance that was reported in the prior year and so your net position did based on that restatement it did decrease, created a larger deficit by \$3,148,805. Those are the highlights that we wanted to go over and now I will turn it to Mr. Garcia to close. Mr. Garcia stated, so the other thing that we would want to go that Luis alluded a little bit to part of the audit process also includes the financial statements and the highlights auditing those numbers to make sure that they're presented correctly. But then we also are required by standards to go and look at the internal controls or financial reporting and internal controls over the federal funds or the single audit portion of because you all receive federal funds. From there, if you go over to page 186, page 186 is a summary of schedule of findings and questioned costs, which that one we are the district as far as the opinion that we're giving as auditors under our opinion under the internal controls it was an unmodified opinion as well, a clean opinion. But during that process we did come across a couple of findings which are highlighted on that page. And we had a finding that correlated with the adjustment that Mr. Lopez referred to with the prior period adjustment in there. And that was relating only to the financial statements and the internal control processes related to financial statements. Regarding the federal awards, we did have also an unmodified opinion and no findings to report on that section. And with that, I would like to go ahead and close up the different items we wanted to talk about and highlight related the audit, the audit process, and what we were engaged to do. And not sure if there's any questions. Mr. Carlos Elizondo, Board Member stated, yes, thank you, Mr. Lopez, I'm sorry, can you get back on the mic? The guru of explaining numbers. Just real quick, if you can go to page 86 and maybe give us a little rundown on what that page 86 is telling us. Mr. Lopez replied, yes sir, this is the budget to actual schedule for the general fund. You do have a column with the original budget that the Board adopted. Throughout the year, amendments come to the Board for approval. So you have a final budget column which is your second column here, right? And then the third column is the actual amounts and the last column will tell you whether it's a positive variance or a negative variance. Mr. Elizondo stated, so how do we look there on that page 86? Mr. Lopez replied, so on the revenue side, there was a positive variance of \$11.8 million. On the expenditure side, there was also a positive variance of \$60.4 million as well. So your revenues exceeded the budgeted revenues and the expenditures were less than your budgeted expenditures. Mr. Elizondo stated, so were you negative? Mr. Lopez replied, no, yeah, it's a positive variance. Mr. Elizondo stated, it's a positive variance. The parentheses on the 45 million, is that a negative variance or is that a positive variance? Mr. Lopez replied, it's a positive variance. Mr. Elizondo stated, okay, so the positive 45 million, is that what you're saying? Because it says negative up on top. It says positive or in quotes negative and on the bottom it says quotes 45,107,370.

Is that positive variance or a negative variance? **Mr. Longoria stated, no, it's a positive variance because you ended up better than what you budgeted for. So at the end of the day, the actual numbers, the actual results actually ended up better than what you had actually planned for. So the actual, y'all were actually 8 million ahead than what you had planned for.** Mr. Elizondo stated, trying talk about is on the variance with final budget positive or negative on that last column all the way to the bottom on page 86. Mr. Longoria stated, I'm sorry, I don't, okay. Ms. Minerva Pena, Board Member stated, the parentheses. Mr. Elizondo stated, is it a typo or maybe I'm reading it wrong? Because did you say it's positive? Mr. Longoria stated, yeah, so on the revenue side, if your final budget was 49,496 and the actual amount was 508, then you're better than what you thought by 11.86, right? If you're, if you budgeted excess over deficiency was 83, and then you actually was 11, then you ended up better, so you're going the other way. Mr. Elizondo stated, great, but all the way to the bottom, what I'm talking about is where it says 3,000, I guess it's the data controls codes, 3,000, the fund balance June 30th ending, and it goes all the way to the right. There's a parenthesis around the 45 million. Is that a negative variance, or is that a positive variance is what I'm asking? Mr. Longoria stated, it's a positive variance. Mr. Elizondo stated, oh, so it's a typo, because on top it says negative in parenthesis. Mr. Longoria stated, I'm sorry, I just want to make sure I'm looking at the right line. You're looking at the 41,107,370? Mr. Elizondo stated, I'm looking at page 86. Ms. Pena interjected, the bottom right. Mr. Elizondo continued, it says data control codes all the way to the bottom says 3,000. Right next to it says fund balance June 30. In parentheses it says ending and then it's got 204 million, plus, plus, plus, whatever, 161 million, 237 million and then the last line all the way to the bottom on the right-hand side, there's parentheses open and close over 45,107,370, but if you go all the way to the top to how you dictate it, it says variance with final budget positive or open parenthesis negative, close parenthesis. Ms. Pena interjected control codes. Mr. Longoria stated, yeah, I would have to look. I guess that's the best answer I can give you, but I think what this is telling the board at the end of the day and the public is that at the end of the day, you ended up better than what you had planned. Mr. Elizondo stated, okay, it's just not answering my question, but that's okay. I mean, but do you, are you on the same page I am? Mr. Longoria stated, no, I am on page 86. Mr. Elizondo stated, does it say on the bottom right-hand corner 45 million? Mr. Longoria replied, no, it does. Mr. Elizondo stated, and it's in parenthesis, right? Mr. Longoria replied, it is parenthetically correct. Mr. Elizondo stated, and if you go all the way to the top it says variance with final budget positive or negative in parentheses is the negative. Does that negative signify the same 45 million dollars that you put in parentheses? Ms. Pena stated, do we have the same book? Mr. Longoria replied, no, no, no, we have the same book. Ms. Pena stated, do you have parentheses on yours? Ms. Pena stated, is that negative? Ms. Daniella Lopez Valdez, Board President stated, if for sake of timing, if you would like to take to that and then if anyone else has any other questions, we can come back to this one. Mr. Longoria replied, yeah, that's fine. Mr. Elizondo stated, thank you. Mr. Frank Ortiz, Board Member I know I've had a conversation with administration before, but I'm looking at page 114 pertaining to insurance, 114? Mr. Longoria stated, correct. Mr. Ortiz continued, pertaining to insurance, and like I said, I've had the conversation with the administration, but I just want to get some clarification here from you. We are in a deficit of \$17 million in insurance, is that correct? Mr. Longoria replied, that is a cumulative deficit of the three categories, yes, of your health insurance and your workers' compensation fund. Mr. Ortiz stated, so it

is a deficit? Mr. Longoria stated, it is a deficit. Mr. Ortiz continued, okay, and apparently you mentioned that there was a clerical mistake of \$3 million, so does that put us at \$20 million? Mr. Longoria replied, no, the internal error that was done, if you will, by staff internally within Brownsville ISD, that \$3 million is already incorporated into that \$17. In fact, you'll see a line where it says \$17,744,869, and right above it, you'll see \$3,149,000. And that's the three million that we're referring to. Mr. Ortiz state, okay, very good. I just wanted clarification on that just to make sure that it was at 17 and not at 20 million. Mr. Longoria stated, correct. Mr. Ortiz stated, now, I know that you gave some recommendations on how districts are addressing these deficits. My question to administration and of course to our insurance committee, do we have a plan on how we're going to address these deficits? I just don't want our employees to carry the brunt of this. **Dr. Jesus H. Chavez, Superintendent stated, yes sir, there is a plan and we parted, we started part of the implementation last year, remember when we came to the Board and there were some increases and so we'll continue to need to address that as we move forward. Now, let me also say that, you know, with regard to deficit, if you look at the district's history, there have been a good number of years with deficits but, you know, on an annual basis we address that, right, and stay either within that amount or lower amount. So this has been happening over time. I think we've had a few times when no, we haven't had the deficit but there's been more years where we've had. But this is something that we are looking at and we'll continue to review and bring back to the board, you know, recommendations on how to make this a better situation. We will work with our insurance committee as well and they're aware of the need for us to continue to make changes.** Mr. Ortiz stated, yeah, as like I said, the conversation that I had with the administration earlier was just, I'm just concerned that if we're going to ask our employees to contribute more, we give them a small raise and it ends up not being a raise. So, I mean, they don't come out ahead. We're just giving them enough to cover to help the district cover the deficits and I don't think that that's fair to our employees and that's just my opinion. Mr. Longoria stated, yeah, I would tell you that by experience that most districts will address it by taking it out of the general fund. For the reasons that you just described, Mr. Ortiz, is that 17 million is certainly a significant number and certainly trying to recover all that from employees is just not practical, right? And so, I mean, I think there has to be just a recognition that it's going to have to come out of the general fund. With that said, I think we all understand that health care cost continues to be on the rise. It has been for several years. The \$17 million that you are seeing there didn't get created overnight, right? It's just something that has continued to build. And at some point, you just got to address the problem. And certainly, employees have got to be part of that solution. But that has to be balanced with the reality of keeping your employees, keep an employment level such that you continue to employ the best people around, right? So at the end of the day, the vast majority of districts address it out of the general fund. You're fortunate that right now you do have general fund in excess of the TEA minimum. And even if you were to say, just hypothetically, if you were to say, well, we're going to resolve that problem with the balance that we have as of June 30th. Remember, we are historians. I don't know where you are at today. But even if you had solved that problem as of June 30th, you still would have been above the 75, not at the 91, but certainly above the 75. Does that make sense? Mr. Ortiz stated, yeah, it does. We need to be careful with fund balance as well. Mr. Longoria stated, no, it does. Mr. Ortiz stated, because, you know, let's say, hypothetically, okay,

the district uses a fund balance. They raise the deficit, I mean, we're liable to have another deficit at the end of the year. Mr. Longoria stated, it is an ongoing challenge that has no clear and obvious solution. And again, you know, sometimes I say, you know, misery loves company. Public schools, as you know, are very challenged right now, due to a variety of different factors, not only their internally increasing cost, but also ADA continues to fall for a variety of different reasons. And so, yeah, it is, as you move forward, decisions are going to be harder and harder to make. And unfortunately, a lot of them are going to be financial decisions. **Dr. Chavez, stated, just to make a few follow-up comments to this, remember that we work very closely with our insurance committee. and they're aware of the situation and if you think also of the fee that we charge on a monthly basis or if you look at the annual amount for insurance, Brownsville ISD has one of the lowest, if not the lowest rates for our employees. The other thing that I'll say is I really appreciate the approach this district has taken as it relates to addressing the health insurance piece because it's a mutual cooperation of the district and the employees. And what I mean by that is that, yes, any increase would bring a good amount from the district perspective, but there needs to be a proportion of the increase come from employees as well. And that's the way it's been working. And, you know, Ms. Ortiz is correct that we've got to take a look at where we are, make sure that we have a viable plan for our employees, but one that we both the district and employees support and help with to get to the right amount. So just wanted to make those comments. I appreciate that, Mr. Ortiz.** Mr. Elizondo stated, thank you for those comments Dr. Chavez, also, you know, in regards to that, what I gathered from your comment earlier is that you're saying that we're above the TEA minimum standard, right? Because we're at what, 131 million? Mr. Longoria replied, well, TEA refers to it in terms of days. Mr. Elizondo stated, okay, so 75 days, we're above 75 days. Mr. Longoria stated, as of June 30th. Mr. Elizondo stated, we're about 130 days if you look at about a million dollars a day is what usually the trend is. Mr. Longoria stated, yeah, I think it's about 1.4 million and that translates to 92. Mr. Elizondo stated, yea give or take 1 million, right, average cost. So what you're saying is that maybe if they're that high, maybe like Dr. Chavez says, that we needed to burden our employees to be able to get us out of the hole that we're in because of the high insurance cost. We really didn't have to burden the employee because we're still above the standard that we're required to have at \$75 million or more. I know it's not, I don't need you to answer because I would hate for you to be put in a pickle, right? But you let me do the hard work. But what I'm trying to say is, would that be fair to say is that we really didn't have to take it out of the employee because we're still above the standard? And like Mr. Ortiz says, we got to be careful with our budget. But at the same token, we shouldn't burden our employees when there is no need to burden them if we have an excess in the balance, I mean in the budget itself. Is that fair to say? Mr. Longoria stated, so I'm going to answer in this perspective. One is that's not necessarily an accounting question. That's more of a philosophy question. What I mean by that is there are some districts, for example, that are comfortable living a day above the 75 days, right? And because they realize that why, you know, why do we have fund balance in here that we could deploy and execute for whether it's assisting in health insurance or building playgrounds, right? There are other districts who are philosophically, and again, this is a philosophical discussion about, worried about the future. And so they're trying to build up fund balance in order to cover whatever may be coming. Certainly, public education, from a funding perspective, has been very

volatile. I'll use that term. And so some are much more aggressive in maintaining fund balance and trying to find the right balance between, as it relates to the healthcare fund, the employees or not. Technically speaking to your question, could you have used the entire amount and not increased the cost to employees? Yes. However, that's a one-time shot. Health care costs are going to continue to increase health care costs are going to continue to be incurred so to it's a balance of all things. It's okay Well, let's acknowledge that we have this deficit and that's probably easier decision to be a fund balance. The harder decision is how do you maintain those deficits from continue to increase over time? And how do you allocate and proportionate that cost between the employer and employee. Mr. Elizondo stated, thank you, sir, appreciate that. Ms. Neida Ruth Grantland, Board Member stated, well, I do agree that burdening our employees is not something that we would want to do. However, I think that it would be unrealistic, or maybe you can tell me, the trends right now are that people's insurance premiums do fluctuate, they do tend to go up, from what I'm hearing elsewhere. And so to assume that they will never go up is not a good assumption. The other thing is that we are not, or at least I'm not comfortable with being marginally above the 75 days, which is what, in my opinion, we are. We are marginally above that, when other times we have been way further above than we are now. So the sustainability is an issue for us. And it's one that we're going to have to reconcile. We're going to have to come up with some kind of a solution because we have the same discourse very frequently when it comes to this, and it's one that gets kind of a broken record, you know, kind of thing. And so I do believe that we need to very seriously approach this, and I'm not thinking that we can take fund balance and just erase the whole thing. We can't. Mr. Longoria stated, and again, that's a philosophy of the Board, not an accounting matter, per se. As I mentioned, we are historians. In fact, as we sit here today, we're talking about June 30, 2025. If I was sitting in your shoes, and I actually have in the past in a different district, I'm concerned about today. I'd be asking, well, where are we today, and how it gets addressed, you know, whether the Board believes that we can live on the margins or the board as a team of eight with the superintendent's comments believes that no, we shouldn't live on the margins because it's just too much uncertainty in the future. Again, that is certainly a board decision and certainly the points that you all are making are all good points for you all to discuss. Ms. Pena stated, and yes, and I really appreciate that you make those recommendations because I know we cut a lot of stuff. And I really think we need to look at what contracts we're getting into that we really don't need, because we can have our own employees do that. Because we have to take care of your health, and especially those of us that have had serious, serious surgeries. And some of us are blessed to be able to be covered. Give me an example, the state of Texas employees, they don't pay insurance. They get full coverage. And to say that, well, I want to make sure that we have more. We need to look at other places to cut and bring down and stop duplicating. Because I can pull out contracts where the same people doing the same things, but it's a different person. But let's look at that first before we look at the employees. And it's real easy for those of us that have the money that to live, let me finish. to do that, as opposed to those of us that are making the low wages with our district. And that's the ones that I'm very concerned with, because when it comes to health, whether you're wealthy or middle class or poor, you're still going to have to pay the same price. So I want to make sure, Dr. Chavez, if we can do something to help them, let's do that, because that really is something very important to our society. Ms. Jessica Gonzalez, Board Member stated, I just wanted to bring it back to the

audit report. We're not currently talking about raising cost for insurance. That's not on the agenda right now, correct? **Mr. Longoria stated, correct.** Ms. Lopez Valdez interjected, it is simply the audit with our external auditors. Ms. Gonzalez stated, just wanted to make sure. Mr. Longoria stated, yeah, correct. And I also want to be clear and I also want to be clear in my comments. I'm not recommending whether you should or shouldn't. What I'm acknowledging to the board is just a recognition of where you're at. Ms. Pena stated, just what you're doing, that's all. Thank you. Ms. Lopez Valdez stated, no suggestions, they're just presenting the facts. Well, thank you all very much. Appreciate you very much. Ms. Pena stated, you know, call it what you call it, an ace is an ace.

Motion made by Jessica Gonzalez, seconded by Daniella Lopez Valdez, and unanimously carried to recommend approval of the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. (7-0-0)

2. Discussion and take action to amend Board Policy CH Local.

Ms. Denise Garza, Board Member stated, Motion to approve. Mr. Carlos Elizondo, Board Member stated, what's the amendment? *Mr. Eden Ramirez, Board Attorney stated, yeah, so we're going to have to wait on the motion until we figure out what it is we're moving for. (Inaudible) Mr. Eden stated, right, but we're going to have to withdraw it because I don't know what the motion is for since we don't know what the amendment is yet.* Mr. Elizondo stated, is this the motion for the allotted? *Mr. Ramirez interjected, so this is the spending policy for your school district, specifically CH local is for purchasing and acquisition and so this sets the limits to essentially administration on what is brought to the board, what isn't and some of the procurements.* Mr. Elizondo stated, well, in that case, I'd like to make a motion to make it down to 25,000. *Mr. Ramirez stated, okay, so then if the motion is for make it down to 25,000, you're referring to the first paragraph regarding the goods and services that have to be brought for Board approval. Is that correct?* Mr. Elizondo stated, that's 100 percent. Ms. Minerva Pena, Board Member stated, second. Ms. Lopez Valdez stated, we have a first and a second discussion? Dr. Chavez? **Dr. Jesus Chavez, Superintendent stated, let me say first of all that I was in education, have been in education for a long, long time. And if you look at the history, you know, yes, we've had lower amounts. You know, the number that comes to my mind is \$10,000. That number has actually been growing, which really has put us to where we are today at the \$50,000 mark. There's actually some discussion across the state that that \$50,000 should go up to \$100,000.** Ms. Pena interjected, no sir. **Dr. Chavez stated, now, and I'm not suggesting that.** *Mr. Ramirez interjected, so it did go up for TASB. So TASB recommended 100,000 based on the procurement changes for when you're required to go to formal procurement since that was raised to 100,000.* **Dr. Chavez continued, and here, I'm not suggesting that we change as a district where we are, but I would tell you that you know lowering it is going to cause additional work now, keep in mind that I, as Superintendent, working with our executive team, I mean, we take a look at the use of dollars and we want to use the dollars and extend them as much as we can, preserve the services that our teachers need, that our students need. So, I'm not in favor of lowering it to the lower amount and I just wanted to make that statement to you, the board members, and to the public as well.** Ms. Jessica Gonzalez, Board Member stated, yeah, I personally cannot support lowering it just because we know we do have governance standards as Board members that we ourselves need to follow. I worry that this is along the

lines of micromanagement and that's exactly what we tell our administrators not to do to our staff. So I worry if we're going to be giving the message that we're going to be micromanaging our Superintendent, Is that saying that our administration can do that to our staff? And I think it's safe to assume that we don't want that. So it's definitely a governance issue for me. The micromanagement is huge. And at the end of the day, I don't want to be holding back the district. And with the day-to-day activities and the kind of budget that we have, and at the end of the day, Any monies are still presented to us monthly if not before. So, it's not like we have no idea where the money is being spent. So, I can't support micromanagement. Mr. Elizondo stated, yes, attorney, would this be micromanaging by creating a? *Mr. Ramirez replied, no, the Board policy is within the Board's authority and so the local policy is governed by the board.* Ms. Pena interjected, its not governance. Mr. Elizondo stated, so, there is no micromanagement with the item that I suggested placed on the agenda. *Mr. Ramirez stated, there's no micromanagement within the context of that, but it's a local policy.* Mr. Elizondo stated, right, so just real quick on another note, it's not about taking away the rights of being able to make sure that the money goes where it needs to. It's the right to have financial accountability and responsibility. And the only reason I say that is because there was one of the board members that requested an amount of, and this was \$25,000 or less. His threshold is \$50,000 or less. And just on the report that we got a loan, from \$25,000 or less, within one year, there's been almost \$7 million have been spent. And this is the reason I want to make sure that if there's \$7 million being spent within one year, that's nine months, you know, we want to make sure that I personally want to know exactly where that's going. And I don't think I do with the amount of names that are on that list, where that money went, and if there is an educational benefit from spending \$7 million within one year on \$25,000 or less. We didn't even ask for \$50,000 of this. There could be more. It could be 20 million. And this is what I'm talking about. If we can save money and if we can get up to 20 million, maybe we can give it to CTE and build it all at once is what I'm trying to say. We're not limiting. I have no problem working. You know, I don't get paid for this but I am sure willing to come in here more often than not if we need to, to make sure that the money is going where it needs to go. That's all the reasons for it. Ms. Pena stated, and I concur with Mr. Elizondo because it's about making sure that it's being spent properly. And at the end of the day, we're held accountable. And the bad part is that we didn't have anything to do with it. And I've seen it, and I've heard it from administration, from the top. It was the Board. It was the board. It was the board. It's funny, because people are recording this. Yeah, they did say it was the board. And it wasn't, because we don't know. And so we're duplicating a lot. And that's what I want to avoid. Because it's real easy to spend somebody else's money. And I was raised, I can do whatever I want with my money that I earn, but I am not going to touch yours. I am set to guard it, take care of it, and look out for it. And I will always do that till God calls me home. That's how I was raised. From what I see, we need to be a little bit more frugal. Because there's no money. The kids don't get it. We don't have enough teachers. We can't hire. We don't do this. We don't do that. Why are we doing all these contracts and all this stuff that we don't have to duplicate? And that's why I'm asking for all that stuff, because I have an issue. And you can spend whatever money you want, as long as you take care of the front line and give them everything they need and don't cut them short, because then I'm going to ask a question. So it's not micromanaging, it's about making sure that we're responsible and we take care of those that we signed up to take care of. And those are our teachers, our students, and our community. Mr. Frank Ortiz, Board Member stated, yes, just for the record also, I do concur with my colleagues.

Correct me if I'm wrong, for those of you that were here when COVID started, I think that for many years, it was set at 25,000, if I'm not mistaken. And I remember that when COVID came in, due to the fact that we needed to get things or the district needed to get things done because I wasn't sitting on the board at that time. The board decided to raise it up to 50, but once COVID was over and everything, we never came back to revisit it, you know, and I think it's time that we do revisit it. I also have the same concerns when I saw the amount of money, the \$7 million under 25, and I repeat what Mr. Elizondo said, imagine if we would have asked for 50 and under what the amount would have been. It's just about you know, transparency, the way that I see it, it's about just fiscal responsibility and management. *Mr. Ramirez stated, so this policy was last updated December 20, 2021. So that's when the change happened.* Mr. Ortiz stated, during COVID. *Mr. Ramirez stated, that should have been around the COVID time.* Ms. Neida Ruth Grantland stated, this money, is it including categorical monies, or is it just, does it include like the state funded monies and federal funded monies, or is it just our local? *Mr. Ramirez stated, it would include all money. So this is gonna be, so the spending authority relates to all spending, so anytime there is a, essentially a transaction of that amount, regardless of where it comes from.* Ms. Grantland stated, yeah, the seven million does concern me, because I mean, every little bit adds up and one of the things that as a board member I like to keep track of is curricular repetitious purchases and things of that nature, where if we're spending in one particular program, are we duplicating efforts? And if not, if we are duplicating efforts, could we not duplicate efforts and bring in additional things for the students? I'm not purporting not spending the money. I'm just purporting watching on how we spend it. Ms. Lopez Valdez stated, I have a quick question. In terms of speaking of duplicative, I would just want to understand how much extra work is required by the staff and also how much, because technically every board meeting we do get a list of every single expenditure. So we already see that. So I just want to understand the duplicative work. *Mr. Ramirez replied, so I mean I will let Dr. Chavez chime in on that more than me, but essentially right now every time there is a transaction or a payment over \$50,000 your staff has to prepare the Board agenda item and has to prepare the for it and has to prepare the agenda cover sheet for the item. So what that means now is that any transaction over 25 ,000, your staff would have to be preparing the agenda item for that, for approval.* Ms. Lopez Valdez stated, which our staff is already spending quite a lot of time on board agenda requests that already get filtered. So I will stand firm and say I think 50,000 is fair. We get it every month at our Board meetings. So I'll just state my opinion. Let's see where the votes lie. We have a first and a second. Ms. Pena stated, I have another follow-up. Ms. Lopez Valdez stated, Ms. Pena, closing comments? Ms. Pena continued, yes, and my concern is this because I understand it will have more work. No offense, I've always signed up to do work to make sure we were better. And my thing is to bring it up and say, wait, you want this program? We already have two other ones just like this. What's the objective? Why are we doing this? And to turn around and say, no, I'm going to give you the freedom to spend our money like that. I'm very, very, very very concerned about being frugal with the money when we don't need to duplicate the program. I don't know how many times we brought that. Ms. Lopez Valdez stated, it seems like that statement has already been made. Is there anything new you would like to add, Ms. Pena? Ms. Pena stated, yes. I want to make sure that we turn around, and let me ask you, Dr. Chavez, you put this item on the agenda? Ms. Lopez Valdez stated, this was actually... **Dr. Chavez interjected I was asked to put it on there, so... yes, we put it on there, but that was an ask from...** Ms. Pena stated, from a Board Member? Ms. Lopez Valdez stated, this was asked from our own meeting that we had last

week from the Board. Ms. Pena stated, and like I said, nothing personal, but I just think it would avoid having so many duplicate programs. It really would. Because sometimes people don't think and A doesn't talk to B, and they turn around and spend the same money on the same thing that they didn't need to. Ms. Lopez Valdez stated, this was actually brought up by you, Ms. Pena. Ms. Pena stated, I was just wondering why we don't and real quick. I'll finish with this. I want you when Daniela says well we get told every time what they spend it. That's not the objective the objective is it something that needs to be done? How many times have they brought stuff to the Board and the board says, no, you already have this. We don't need this. And they go, oh, yeah, you're right. So it's not about doing it to not give them the work. It's just about making sure that they know they already have it. And sometimes we don't know what we don't know. And that's why I want to take care of the money for the kids. district. Ms. Lopez Valdez stated, thank you. **Dr. Chavez stated, I've already made comments so I'm really going to ask some of my staff to speak to this and so I'm going to ask our C&I folks to speak to it and I'm also going to ask our operations.** Mr. Elizondo stated, do we have a vote on it already? We've already had first and a second. Ms. Lopez Valdez stated, this is part of the discussion. *Mr. Ramirez stated, the Chair would have to I mean it's up to the chair to recognize the staff.* Ms. Lopez Valdez stated, well if I would like to recognize the staff if that's what our Superintendent would like to do. **Dr. Chavez stated, yes ma'am. Go ahead. Ms. Beatriz Hernandez, Chief Academic Officer stated, yes, so first of all, I would like to say that we appreciate the support that the Board provides when we come forward with either instructional resources request whether it comes from a department at central office or it's coming directly from the campus principal. At the end of the day, it's a group of resources and interventions that make the outcomes. We're very proud to say that 92 % of our 48 campuses that get rated are rated by the state are either an A or a B. So can we pinpoint just to one particular factor as it relates to resources and materials? There's an array. So just today we were meeting with the middle school principals and one of the things that they mentioned was making sure that we understand their individual campus needs. I think going back to the decision that you would make as it relates to the work behind it, it's not just the staff at central office that would have to work on the agenda and the backup and getting quotes, but we're also talking about campus staff when they do submit their request for materials, professional development. So, just consider that that's another factor and implication when a decision like this is made. Dr. Nellie Cantu, Chief Operations Officer stated, thank you, Ms. Daniela Lopez-Valdez and Dr. Chavez for the opportunity to speak on this. As I think about the threshold that is being discussed, I think about the operations teams and the purchases that are made. The one immediate purchase that comes to mind is a constant replenishing of devices. Devices have to be obsoleted and when we get quotes, there's a time frame, usually it's a week to two weeks of an invoice that they will hold that amount to. So having to bring back you know, devices are very expensive. Having to bring back agenda items for every 25,000 would include more.** Mr. Elizondo interjected, real quick I don't mean to interrupt. I called the question. Ms. Lopez Valdez stated, Mr. Elizondo let's go ahead and let Dr. Cantu finish. **Dr. Cantu continued, so, the thinking would be that we would need to complete.** Mr. Elizondo interjected, ma'am, I had a call to question. I'm asking for a second. Ms. Lopez Valdez stated, I have not addressed you as speaking. I would like to let Dr. Cantu finish really quick. Ms. Pena stated, I'd second the call. **Dr. Cantu stated, thank you. Mr. Ramirez stated, all right, so, you're not, you didn't recognize the motion to call the question yet?** Ms. Lopez Valdez

stated, no, because I was waiting for Dr. Cantu to finish. *Mr. Ramirez stated, okay, so whenever you're ready for that, you have that motion on the floor after she finishes.* Ms. Lopez Valdez stated, perfect thank you. *Mr. Ramirez stated to call the question.* **Dr. Cantu continued, so what this would create, and just to summarize it, what this would create would mean that our staff would need to constantly be creating the PRs and bringing them as fast as possible. And sometimes meeting the timeline with one a month will create some challenges for us. Can it be done? Yes, we'll work with whatever this Board sets. We'll work with the timeline, but it would create some challenges and time and energy from our staff.** Ms. Lopez Valdez stated, thank you. Okay, I recognize the call to question. Ms. Pena interjected; I have a question for our attorney. Ms. Lopez continued; we vote on the call to question first. Ms. Pena stated, afterwards I have a very important question for you. *Mr. Ramirez stated, okay, I think we had a motion to call the question and we had a second. Okay, so the call to the question is to essentially end debate and call a vote. You have to take a vote on the call to the question after you've had a motion and a second.* Ms. Pena stated, we're just voting on calling the question? *Mr. Ramirez replied, yes.* Ms. Lopez Valdez stated, yes. **Ms. Patricia Perez, Executive Assistant stated, please vote. Motion passes, 6 yes, 1 no.**

Motion made by Carlos Elizondo, seconded by Minerva Pena to call the question.

The following vote was recorded

Yea: Mr. Elizondo, Ms. Lopez, Ms. Garza, Mr. Ortiz, Ms. Pena, Ms. Grantland
Nay: Ms. Gonzalez
Abstain:

Motion Carried: 6-1-0

Mr. Ramirez stated, and just for future reference, in this case it passed 6-1, but when we do have a call to the question, it requires a 5-2 majority to supersede it. So, now that you had a call to the question at a 6-1, you're required to vote on the actual motion on the floor on the agenda. Ms. Lopez Valdez stated, perfect. We can vote on the agenda item which is? *Mr. Ramirez stated, on the motion, yeah, which is a motion to amend to 25,000.*

Motion made by Carlos Elizondo, seconded by Minerva Pena, to recommend approval of the amendment to Board Policy CH (Local) to reflect a threshold of \$25,000.00

The following vote was recorded

Yea: Mr. Elizondo, Ms. Garza, Mr. Ortiz, Ms. Pena, Ms. Grantland
Nay: Ms. Lopez Valdez, Ms. Gonzalez
Abstain:

Motion Carried: 5-2-0

Ms. Pena stated, on calling the question, when you say you call the question, okay, so the one that has the choice of shutting the discussion and calling the question is the Board President? *Mr. Ramirez replied, no, so the chair recognizes everyone on the Board to speak. So when someone is speaking that already has the floor, in this case it was your staff member, the board chair can continue to recognize the staff member. But once a call to the question is made, it's required that we take that question first before somebody else. So in this case, when Mr. Elizondo made the call to the question, it was in the middle of already someone who had the floor. When that floor was seized, it automatically passes to Mr. Elizondo.* Ms. Pena stated, and the reason I've asked because that's happened to me I've been like her speaking and that question gets called and I get shut down, so I'm going to get you the recording of that. *Mr. Ramirez replied, okay.* Ms. Pena continued, so to me like what the heck apples and oranges my rules your rules. *Mr. Ramirez stated, I don't think I don't think I was here for that Ms. Pena, I don't think it was me.*

VIII. CLOSED MEETING: as pursuant to the Texas Government Code Sections: 551.071, 551.072, 551.074, 551.082, and 551.084. 7:41 p.m.

A. LEVEL III GRIEVANCE(S):

1. Level III Grievance No. 018/25-26 on J.L. Agenda item Pulled
2. Level III Grievance No.019/25-26 on J.J.
3. Level III Grievance No.020/25-26 on V.C. Agenda item Pulled.
4. Level III Grievance No.021/25-26 on BEST/AFT vs Putegnat Elementary.

B. PERSONNEL MATTER(S):

1. Superintendent Formative Evaluation.
 - a. Discussion on Superintendent Formative Evaluation.

C. ATTORNEY CONSULTATION

1. **Board Attorney**
 - a. Discussion on Superintendent Search Timeline.

IX. BOARD RECONVENES - Board action on agenda items discussed in Executive Session. 9:55 p.m.

- A. Board Action VIII. A. 2 and 4 Level III Grievance(s).

Item 2. Recommend approval of Level III Grievance No. 019/25-26 on J.J.

Motion made by Daniella Lopez Valdez, seconded by Minerva Pena, and unanimously carried to recommend approval of Level III Grievance No. 019/25-26 on J.J, as recommended by Legal Counsel that the Board entertain a motion to grant remedy number 1, deny remedy number 2, and grant remedy number 3. (7-0-0)

Item 4. Recommend approval of Level III Grievance No. 021/25-26 on BEST/AFT vs Putegnat Elementary.

Mr. Eden Ramirez, Board Attorney stated, we are dismissing it all together, the Board is dismissing the entire grievance.

Motion made by Carlos Elizondo, seconded by Neida Ruth Grantland, and unanimously carried to recommend approval to dismiss the Level III Grievance No. 021/25-26 on BEST/AFT vs. Putegnat Elementary. (7-0-0)

- B. Board Action VIII. B. 1a Discussion and action to approve Superintendent Formative Evaluation.

Motion made by Neida Ruth Grantland, seconded by Minerva Pena, to recommend approval of Superintendents Formative Evaluation, as discussed in Executive Session.

The following vote was recorded

Yea: Ms. Lopez, Ms. Garza, Mr. Ortiz, Ms. Gonzalez, Ms. Pena, Ms. Grantland
Nay: Mr. Elizondo
Abstain:

Motion Carried: 6-1-0

- C. Board Action VIII. C. 1a Discussion and action to approve Superintendent Search Timeline.

Motion made by Carlos Elizondo, seconded by Minerva Pena, and unanimously carried to recommend approval of Superintendent Search Timeline, as discussed in Executive Session. (7-0-0)

X. Announcement(s):

Dr. Jesus Chavez, Superintendent stated, on February 20th is the end of the fourth six weeks. On February 21st, Charro Days, Baile del Sol at 12 PM, Charro Days headquarters. On February 23rd, Fiesta Folklorica, 6 PM at Sam's Stadium. February 25, Mini Fiesta at 9:30 AM, BISD Administration Building Parking Lot. On February 26, we have early dismissal students and staff, middle schools at 11:45, elementary schools 12:15, Early College High schools at 1 PM. BISD Children's Charro Days Parade at 2:30 PM, downtown Brownsville. On February 27, Charro Days holiday. March 4th, we have the Rescheduled Regular Board meeting at 5:30 p. m. BISD Boardroom.

XI. Adjournment.

Motion was made by Carlos Elizondo, seconded by Minerva Pena, and unanimously carried to approve to adjourn the Special Called Board Meeting at 9:59 P.M. (7-0-0)

- **There being no further business appearing before the Board, the meeting was adjourned.**

(HANDOUTS ADDED TO OFFICIAL MINUTES)

**(AUDIO/VIDEO TAPES OF THE OPEN MEETING AND THE WRITTEN CERTIFIED AGENDA
OF THE CLOSED MEETING ARE ON FILE)**

Approved by:

Daniella Lopez Valdez, President of the Board

Date

Attested by:

Minerva Pena, Secretary of the Board

Date

Notes: Font style designation

Board of Trustees
Administration
Board Attorney
Staff Attorney
Speaker/Presenter

(Minutes presented at Regular Board Meeting held on May 5, 2026)