



TEXAS DEPARTMENT OF AGRICULTURE
COMMISSIONER SID MILLER

ACTION REQUIRED

May 11, 2026

VIA EMAIL TO: eliza.diaz@brackettisd.net

CEID No: 00697

Region No: XX

Ms. Eliza Diaz
Superintendent
Brackett Independent School District

RE: National School Lunch Program - Notice of Administrative Review and Procurement Review Findings, Required Corrective Action and Fiscal Action

Dear Superintendent Diaz:

On February 25, 2026, the Texas Department of Agriculture (TDA) conducted an Administrative Review (AR) and Procurement Review (PR) of Brackett Independent School District's Child Nutrition Programs. The exit conference was conducted on February 25, 2026.

During the observation and review, TDA determined that corrective action is required to ensure compliance with the program. Once TDA reviews and approves the responses to all findings, TDA will determine fiscal action (if applicable).

Administrative Review (AR)

The Administrative Review (AR) focuses on meal observations, menu analysis, counting and claiming, and resource management, including indirect costs, paid lunch equity, and the maintenance of the nonprofit school food service account. During TDA's review findings were observed for the AR, and the details of the findings can be found by logging into TX-UNPS and reviewing the Corrective Action Document (CAD).

Per 7 CFR 210.18(h)(1)(iv) and 2 CFR 200 Subpart E, the school food authority (SFA) must ensure that all costs to the non-profit school food service account are reasonable, necessary, allocable, allowable, and used for the operation of the programs.

During the 2024-2025 school year, the SFA utilized an indirect cost allocation of 25% for utilities, including electricity, water, gas, sewage surcharge, and landfill fees. The SFA's methodology used the square footage of both the cafeteria and kitchen relative to the total square footage in their calculations to charge for the listed utilities. The cafeteria is not used exclusively for student meal service; therefore, the SFA's cost calculation is incorrect and

cannot include the cafeteria square footage without further documentation. The total square footage is 31,445 square feet, and the kitchen area is 3,600 square feet, which accounts for 11.45% of the total square footage.

The SFA charged \$28,513.49 to the non-profit school food service account for the school nutrition program's proportion of utilities. The allowable charge is \$13,059.18, resulting in an overcharge of \$15,454.31, which is an unallowable cost to the nonprofit school food service account.

Administrative Review Fiscal Action

As a result of the findings, Brackett Independent School District must provide documentation of the general fund reimbursing the nonprofit school food service account for the unallowable expenses charged to the nonprofit school food service account, as outlined below.

Unallowable Expense Item (School Year 2024-2025)	Amount
Utilities (Electricity, Water, Gas, Sewage surcharge, landfill)	\$15,454.31
Total	\$15,454.31

Procurement Review (PR)

The Procurement Review (PR) focuses on the procurement of all goods and services using nonprofit school food service account funds. Any costs resulting from a contract or procurement that does not meet federal and/or state requirements are unallowable costs to the Child Nutrition Programs. During TDA's review at Brackett Independent School District, findings were identified during the PR, and details may be found by logging into TX-UNPS and reviewing the CAD.

Submission of Corrective Action Required

Corrective action is required, as stated in the section(s) above. Please log in to TX-UNPS to respond to the corrective action in the applicable module (AR and PR modules). The due date for responding to the CAD and submitting any requested documentation is **May 27, 2026**. Instructions for completing the CAD in TX-UNPS are included along with this letter. You must respond to the CAD by uploading all required documents into TX-UNPS.

For technical assistance in completing the CAD response, please contact your Education Service Center Child Nutrition Program Specialist, Patricia Alvarez, at 210-370-5665 or patricia.alvarez@esc20.net.

NOTE: A request for technical assistance or clarification concerning this Notice or the required CAD will not extend the CAD due date or the filing deadline to request an appeal of the fiscal action(s).

Appeal Rights

You have the right to appeal TDA's fiscal action that affects a claim for reimbursement (unallowable expense of **\$15,454.31**, which must be reimbursed to the nonprofit school food service account), pursuant to 7 CFR 210.18(p). Appellants are assured of a fair and impartial hearing before an independent official at which you may be represented by legal counsel. Requests for an appeal must be submitted in writing **no later than fifteen (15) calendar days** after the receipt of this letter. You may retain legal counsel or be represented by another

person. In your written request for appeal, you must specify if you desire a hearing and whether you would like the hearing to be in addition to, or in lieu of, a review of written information.

The appeal request must:

- Be in writing;
- Clearly identify the action being appealed;
- State whether you elect to have an in-person hearing and if you want the hearing to be in lieu of, or in addition to, a review of written documents;
- Include a complete and legible copy of this letter.

Your appeal must be mailed, faxed, or emailed to:

Food and Nutrition Appeals
Texas Department of Agriculture
Legal Division
ATTN: Docket Clerk
PO Box 12847
Austin, Texas 78711
Fax (800) 909-8530
Legaldocketing@texasagriculture.gov

You may hand-deliver or submit your appeal via overnight/special delivery service to:

Texas Department of Agriculture
Legal Division
1700 North Congress, 11th floor
Austin, Texas 78701

The appeal procedures for the Food and Nutrition Programs may be found in 4 TAC §26.200-26.207.

Sincerely,

Martin Castorena

Martin Castorena
School Operations Compliance Review Monitor
Food and Nutrition Division
Texas Department of Agriculture

cc: Child Nutrition Director
ESC Region XX

