

**TEA Special Investigation
Final Investigative Report
Socorro Independent School District**

I. Introduction

Socorro Independent School District ("SISD" and/or "District") is located in El Paso County, southeast of the city of El Paso, Texas. According to the 2021-2022 Texas Academic Performance Report ("TAPR"), SISD had a student enrollment of 47,137 and an academic rating of a B (88). SISD's financial accountability rating for 2021-2022 was an A (96). SISD is supported by the Region 19 Education Service Center.

This investigation stems from multiple complaints filed in February and March 2020 regarding the internal academic auditor's findings in the 2019 Graduation Audit.¹ This internal audit was initiated in the summer of 2019 and finalized in February 2020. Findings within the audit report indicate that multiple SISD high school students graduated without meeting all state and local requirements. The above referenced complaints included an additional allegation that three (3) trustees violated the Texas Open Meetings Act (TOMA) in statute Texas Government Code §551.

Given that the timing of the complaints coincided with the beginning of the COVID-19 pandemic, the Texas Education Agency ("TEA" or the "Agency") initially halted requests for information to SISD and other school districts to allow districts to address matters related to the pandemic. In November 2020, TEA sent a complaint review notice to SISD, which included a request for documentation. After reviewing the requested information, the Agency determined that a Special Investigation ("SI") would be conducted.

¹ Exhibit 3 – Graduation Audit Final 2019
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On March 19, 2021, the TEA's Special Investigations Unit ("SIU") issued a Notice of Special Investigation (the "First SI Notice")² addressed to SISD Board President, Cynthia Najera, and SISD Superintendent, Dr. Jose Espinoza, regarding the allegations that 1) SISD graduated students in the Class of 2019 without meeting all high school graduation requirements, and that 2) three SISD trustees violated TOMA. Subsequently, TEA issued an amended SI notice (the "First Amended SI Notice")³ on December 6, 2021, addressed to Board President, David Morales and Interim Superintendent, Dr. Marta Carmona, regarding violations of conflict of interest, unauthorized use of district funds, and misuse of special education funds and personnel.

TEA SIU sent requests for information to SISD on March 24, 2021, May 7, 2021, July 19, 2021, August 18, 2021, September 14, 2021, September 29, 2021, and October 22, 2021, regarding the allegations relating to the initial SI Notice. SISD provided TEA with all documents requested. TEA investigators conducted video conference interviews with current SISD Trustees, which included Paul Guerra, Cynthia Najera, David Morales, and former SISD Trustee Angelica Rodriguez. Additional interviews were conducted with SISD administration, which included Marta Carmona, Cory Craft, Carmen Crosse, former superintendent Jose Espinoza, Alfredo Gomez, Hilda Miranda, Tammi Mackeben, Edgar Ponce, Hector Reyna, and campus personnel, which included Elizabeth Amaya, Araceli Calderon, Sonia Ortega, and former Socorro High School Principal Josh Tovar.

² Exhibit 29 - First SI Notice

³ Exhibit 30 - First Amended SI Notice
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In November 2021, TEA SIU received information regarding allegations that pertained to conflict of interest, unauthorized use of district funds, and misuse of special education funds and personnel. As stated above, TEA issued the First Amended SI Notice regarding the additional allegations. TEA sent updated requests for information related to the new allegations to SISD on December 20, 2021, February 14, 2022, April 28, 2022, June 9, 2022, and August 2, 2022. SISD provided the documents requested. In June 2022, video conference interviews and phone conferences were conducted with recently appointed Superintendent, Dr. Nate Carmen, Financial Internal Auditor Jose San Miguel, Director Support/Personnel Administration Celina Stiles, and Interim Chief Human Resources Officer Thomas Redlinger.

This TEA Final Report (the "Final Report") is based on documents provided by the District, video conference interviews, phone conferences, and an Agency review of board agendas, minutes, and available board meeting recordings. It should also be noted that TEA conducted reviews of hundreds of student Academic Achievement Records (AAR), as well as student attendance documents for the purpose of independently verifying the audit information. Additionally, investigators reviewed the District's policies, procedures, and practices related to business transactions (payments, contracts, etc.), salary manuals, stipend schedules, and stipend payments. The TEA special investigation is conducted pursuant to Texas Education Code ("Tex. Educ. Code" or "TEC") § 39.003(a)(17) Special Investigations.⁴

Pursuant to Tex. Educ. Code § 39.004(b) and (c),⁵ on February 28, 2023, TEA presented its preliminary findings to SISD (the "Preliminary Report"). Along with the Preliminary Report, TEA issued a second SI Notice (the "Second SI Notice") regarding additional allegations against

⁴ Appendix A - Tex. Educ. Code § 39.003(a)(17)

⁵ See Appendix A
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the District.⁶ SISD was provided with an opportunity to respond to the preliminary report by March 30, 2023.⁷ TEA received SISD's response to the report on March 30, 2023 ("SISD's Response").⁸ In SISD's Response, SISD does not contest most of the preliminary findings and conclusions, but does assert that the second allegation ("Allegation Two") cannot be entirely substantiated because due to "the respective requirements of Chapters 171 and 176, [SISD] believes neither statute provides a basis for finding that SISD (*i.e.*, the entity itself and as personified by its governing body) had a duty to file required conflicts forms on behalf of one of its trustees."⁹ A summary of SISD's Response to Allegation Two is provided in Section III(B)(iii). TEA provides the analysis of the response and its final determination in Section III(B)(iv).

TEA also opened a number of investigations into SISD after Special Investigation INV2020-02-122 was initiated. These investigations have been resolved through settlement with the District prior to their completion. A summary of the related complaints is included in Appendix Q¹⁰. Appendix Q is intended to summarize only the complaints and is not a summary of the subsequent investigations or intended to indicate substantiation of the complaints.

After a careful review and full consideration of SISD's Response and evidence submitted by the District, TEA issues this Final Report.

The conclusion of this report includes Socorro's acceptance of TEA's proposed interventions further described in the parties' Agreed Order. It should be noted that Socorro ISD's Board of Trustees requested this report without any attempt to negotiate its content. The Board

⁶ Exhibit 28 – Second SI Notice dated February 28, 2023

⁷ See Appendix A

⁸ Exhibit 27 – LEA Response to Preliminary Report

⁹ See Exhibit 27 – page 2 ¶ 3

¹⁰ Appendix Q – Summary of SISD Complaints
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specifically, and commendably, cited its desire to be transparent with its stakeholders and further believed that the issuance of this report was necessary to be fully informed when making appropriate decisions to reform its district. The Board further requested a summary of the other allegations (Appendix Q) made by various individuals over the course of the TEA's investigation that were not specifically investigated by the agency. Additionally, TEA recognizes that Superintendent, Dr. Nate Carman began serving in his role after the substantiated violations occurred. However, Dr. Carmen was steadfast in his cooperation with this special investigation and his work towards an appropriate resolution.

II. Background Information

In 2013, SISD hired an outside auditor, Dr. Pam Padilla, to conduct a review of policies, administrative regulations, practices, and processes in SISD's high schools to assess their impact on ratings in the federal and state accountability systems. While SISD had not identified any problems in the areas to be audited, the District proactively commissioned the audit in light of reports that other area school districts had experienced issues in the identified areas. Dr. Padilla issued her report in August 2013 (the "Padilla Report").¹¹ Among the findings of this report were (1) the lack of written guidance for high school grade classification and advancement of students with disabilities; (2) the lack of monitoring midyear grade reclassification of students; (3) inconsistent grade reclassification procedures; (4) inaccurate classifications of 10th graders led to lower numbers of students participating in federal and state accountability systems.; and (5) SISD had insufficient regulations, processes and internal controls to ensure that all students were in the proper grade level, that all students participated appropriately in the state assessments, and that the

¹¹ Exhibit 1 – Padilla Report pages 8 and 9
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participation and performance of all students was included in the data used to determine ratings in both the federal and state accountability systems. Following Dr. Padilla's review, SISD approved multiple revisions to relevant local policies, regulations, procedures, and practices to correct the issues identified in the Padilla Report. The effectiveness of these actions will be addressed throughout the Final Report.

In the 2013-14 school year, SISD established an Internal Audit Department consisting of a financial internal auditor and an academic internal auditor. According to the SISD website, the department's function is:

"...committed to performing value-added, risk-based audits, designed to independently review, test, and evaluate the financial, electronic, and operating controls throughout the District. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It's an integral part of the organization and functions under the policies established by the District. Its objectives are to assist management, by providing analysis, appraisals, and recommendations to ensure the District is in compliance with Federal, State, and District regulations."

According to information posted on District's website and provided by both of the District's internal auditors, the auditors' responsibilities include identifying concerns in the areas of finance and academics in order to pinpoint processes and procedures in need of improvement. Upon completion of the audits, reports are created and provided to the board and district level administrators. When deficiencies are identified, corrective action plans are developed and implemented in order to comply with all local, state and federal regulations or policies. However, as will be referenced throughout this report, TEA investigators found that SISD administrators and staff failed to demonstrate sound adherence and lacked consistency in the implementation and monitoring of the revised policies and procedures.

In 2015, a finding identified by SISD's internal academic auditor included student loss of credit ("LOC") due to not meeting certain attendance requirements under the Texas Education Code (TEC) and the Texas Administrative Code (TAC). In order for high school students to accumulate credits, they must meet two (2) requirements. The first requirement is that students must pass the class with a grade of 70 or above, and the second is that students must be in attendance for the class at least 90% of the time. If a student does not meet the attendance threshold, they lose credit for the class regardless of whether or not they passed the class. Students may have credit reinstated by making up the time and/or by completing work assigned by the campus attendance review committee.

The District's 2015 Loss of Credit Audit (the "LOC Audit")¹² identified the following areas of concern: (1) campuses not delineating loss of credit expectations; (2) campuses not maintaining proper documentation for the restoration of credits; (3) personnel lacking knowledge of the district's plans for loss of credit along with monitoring and maintenance of the documentation; (4) one campus having a loss of credit plan which did not align with the requirements and did not have a process for restoring credits; and (5) the need to train personnel so that they have a better understanding of the process. SISD created a corrective action plan to address these issues. However, documents provided by SISD show an overall lack of adherence to and inconsistency in the implementation of approved policies and procedures.

III. Allegations

The specific allegations and TEA's findings of fact and analysis, together with the reasons for TEA's findings are as follows:

¹² Exhibit 2 – LOC Audit 2015
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A. Allegation One

SISD conducted an internal audit that revealed student academic records were incorrectly recorded by SISD staff. As a result of these errors, the District erroneously graduated seniors in 2019 who did not meet all graduation requirements, which is in violation of Tex. Educ. Code §§ 28.002(h) and (i),¹³ Tex. Educ. Code 28.025(b-1), (c-1), and (e),¹⁴ Tex. Educ. Code 25.092(a) and (a-1), and 19 Tex. Admin. Code §§ 74.11, 74.13, 74.26 and 74.71.¹⁵

i. Findings of Fact for Allegation One

The following findings of fact are a result of TEA investigators' independent review of AARs, loss of credit documents, SISD policies and procedures, and video conference interviews with SISD Trustees, administrators, and campus personnel.

1. In July 2019, the SISD internal academic auditor (the "Internal Auditor") began an audit of the Class of 2019's AARs following SISD's final Public Education Information Management System (PEIMS) submission of graduation information.¹⁶
2. The Internal Auditor stated to TEA investigators that she reviewed and analyzed 3,556 AARs for the Class of 2019.¹⁷
3. In October 2019, the Internal Auditor reported that 276 seniors in the Class of 2019 graduated without meeting all requirements for graduation.¹⁸

¹³ Appendix C – Tex. Educ. Code § 28.002

¹⁴ Appendix D - Tex. Educ. Code § 28.025

¹⁵ Appendix E - 19 Tex. Admin. Code Ch. 74 Subchapters B, C and G

¹⁶ See Exhibit 3

¹⁷ See Exhibit 3 – Page 6

¹⁸ See Exhibit 3 – Page 8

4. During the months of November 2019 through March 2020 and after the initial results of the audit were known, SISD central administration and campus personnel produced documentation for 247 students that was not available during the auditor's initial review.¹⁹
5. After the initial October 2019 audit report was completed, district and campus administrators held meetings throughout the 2019-2020 school year to finalize 2019 graduation documentation, with the final meeting occurring on or around March 2020.
6. Documentation submitted by SISD campuses showed a reduction of the number of students not meeting requirements for graduation to 29 students.
7. TEA investigators conducted an independent review of final AARs for the 276 students identified as not having met all graduation requirements and found that seven (7) additional students graduated without meeting all requirements for graduation.²⁰
8. SISD's PEIMS submission contained data for 77 students with an incorrect graduation date for the Class of 2019.²¹
 - a. Students were misreported as June 2019 graduates.
 - b. Attendance verification for these students was not conducted and completed by SISD until mid-July 2019 to as late as March 2020.
 - c. Credit verification for these students was not conducted and completed by SISD until mid-July 2019 to as late as March 2020.
9. SISD graduated 18 students in the Class of 2019 who either did not earn credit in a required course or campuses failed to grade average for credit.²²

¹⁹ See Exhibit 3

²⁰ Exhibit 6 – Investigators Independent Review of Final AARs

²¹ Exhibit 7 – Incorrect Graduation Date

²² Exhibit 8 – Did not Earn Course Credit or Grade Average for Credit

10. SISD graduated 55 students in the Class of 2019 without verifying those students met all attendance requirements prior to graduation.²³
11. SISD provided final AARs that were not in compliance with the Minimum Standards for the AAR.
12. There were 45 AARs that did not have accurate End of Course (EOC) information.²⁴
13. There were 73 AARs with credit inaccuracies due to LOC or grade averaging credits.²⁵
14. There were 77 AARs with the incorrect graduation date.²⁶

ii) Analysis of Allegation One

TEA finds that Allegation One is substantiated because student academic records were incorrectly recorded by SISD, which resulted in at least 276 seniors graduating in the Spring of 2019 without meeting all graduation requirements, in violation of Tex. Educ. Code § 28.002 and § 28.025, and 19 Tex. Admin Code § 74.26.

Tex. Educ. Code § 28.002 establishes the required curriculum Texas public schools must provide students who attend their schools. Tex. Educ. Code § 28.002(a) outlines a foundation made up of English language arts, mathematics, science, and social studies. Additionally, Texas public schools are required to provide an enrichment curriculum that includes languages other than English, health, physical education, fine arts, career and technology, technology applications, religious literature, and personal financial literacy.

Tex. Educ. Code § 28.025 details the subject areas students must take and earn a passing grade (70 or above) in order to meet the requirements for the foundation curriculum and receive a

²³ Exhibit 9 – LOC Documents

²⁴ Exhibit 10 – AARs Incorrect EOC Information

²⁵ See Exhibits 8 and 9

²⁶ See Exhibit 7

Texas high school diploma. Under Tex. Educ Code § 28.025(b-1), a student must earn 22 credits in the foundation curriculum. Specifically, four (4) credits in English language arts, three (3) credits in mathematics, three (3) credits in science, three (3) credits in social studies, two (2) credits in a language other than English, five (5) elective credits, one (1) credit in fine arts, and one (1) credit in physical education. While Tex. Educ. Code § 28.025 defines the subject areas in the foundation program, it is 19 Tex. Admin Code Ch. 74 that lists specific courses that a student may take in order to meet the credit requirements for each particular subject area.

Tex. Educ. Code § 28.025(c-1) outlines the requirements for endorsements. Students may earn an endorsement on their high school AAR by earning four (4) additional credits in the required curriculum for a particular endorsement. Endorsements may be earned in one of the following areas: science, technology, and math (STEM), business and industry, public services, arts and humanities, and multidisciplinary studies. If a student earns the four (4) additional credits for an endorsement, they should have at minimum a total of 26 credits on their AAR.

Additionally, Tex. Educ. Code § 28.025(e) states that "each school district shall report the academic achievement record of students who have completed the foundation high school program on transcript forms adopted by the State Board of Education" and "the transcript forms adopted by the Board must be designed to clearly identify whether a student received a diploma or a certificate of coursework completion." 19 Tex. Admin Code § 74.5 outlines required information school districts must report on student AARs. TEA provides additional requirements and guidance regarding AARs in the Minimum Standards for the Academic Achievement Record.²⁷

²⁷Appendix B – AAR Minimum Standards
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In addition to course and grade requirements for earning credit, Tex. Educ. Code § 25.092²⁸ outlines the attendance requirements that students must meet in order for credit to be awarded for a class. Tex. Educ. Code § 25.092(a) states that a student must be in attendance for at least 90 percent of the days the class is offered. Under Tex. Educ. Code § 25.092(a-1), the statute goes on to articulate that a student who does not meet the 90 percent requirement but is in attendance for at least 75 percent of the days a class is offered, may be given credit provided they complete a plan approved by the school principal that meets the instructional requirements of the class.

As stated in findings of fact 1 through 6, SISD violated Tex. Educ. Code § 25.092, Tex. Educ. Code § 28.002, Tex. Educ. Code § 28.025, and 19 Tex. Admin Code Ch. 74 by erroneously certifying 276 students as graduates because SISD campus and district personnel failed to verify that all students met all state and local requirements prior to graduation certification. The District's internal audit identified 29 students who did not meet attendance and/or credit requirements for graduation. TEA investigators conducted a review of the audit documentation and identified an additional seven (7) students who were certified as graduates without meeting all requirements.

As described previously, students need a minimum of 22 credits in the foundation program and 26 credits to graduate in the foundation program with an endorsement. Students must also meet attendance requirements, which includes attending 90% of each class they are enrolled in. TEA identified seven (7) additional students who were misreported by the District; that is, the students were originally cleared by the auditor and graduated without meeting all credit requirements and/or attendance requirements for graduation. By not meeting credit requirements and/or attendance requirements, the individual students cannot be considered graduates in the state

²⁸ Appendix F – TEC 25.092 Minimum Attendance for Class Credit or Final Grade
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of Texas. Furthermore, by certifying students who did not meet all requirements for graduation, SISD is in violation of Tex. Educ. Code § 25.092, Tex. Educ. Code § 28.002, Tex. Educ. Code § 28.025, and 19 Tex. Admin Code Ch. 74.

As stated in findings of fact 3 and 4, SISD central administration and campus personnel reviewed the findings of the internal auditor and provided documentation that supported 247 out of the 276 students identified had met all graduation requirements. However, this documentation was not provided to the auditor until after the auditor completed her initial review in October 2019. During a review of the documentation supplemented by SISD, SIU investigators found that a majority of the supporting documents were dated mid-July 2019, and in some cases, as late as March 2020. However, SISD graduation dates for the Class of 2019 were May 31, 2019, and June 1, 2019. The documentation provided after the fact shows that SISD did not verify students had met all graduation requirements prior to certifying these students as graduates.

As stated in finding of fact 8, SISD recorded incorrect graduation dates for 77 students in the Class of 2019. The graduation dates were incorrect because the District's documentation shows the students had not met all credit requirements and/or attendance requirements by the date entered on the student AARs. According to the Minimum Standards for the AAR, districts are required to enter the date that the student completed all graduation requirements.²⁹ The graduation dates are then submitted to the state through PEIMS. This information is used to calculate campus and district graduation rates as part of the state's academic accountability system. To be considered a Class of 2019 graduate, students would have to meet all graduation requirements by August 31,

²⁹ See Appendix B
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2019. Therefore, students meeting graduation requirements in July 2019 and August 2019 could be included in the Class of 2019 totals used to calculate graduation rates.

As stated above, SISD graduation dates for 2019 were May 31 and June 1. The 77 AARs included a graduation date of June 3, 2019. AARs reviewed by the auditor were pulled for review the day before the July 18, 2019, PEIMS submission date to ensure the audit was conducted with the most accurate information. Documentation reviewed indicated that students were reported as meeting all graduation requirements at the time of the July 18, 2019, PEIMS submission. However, verification of the AARs did not begin until mid-July 2019 and ended in October 2019. The graduation date reported as June 3, 2019, on SISD's AARs is incorrect because documentation shows that the 77 students had not met all credit requirements and/or been cleared by campus personnel as having completed the plan approved by the school principal that provided the students an opportunity to meet the instructional requirements of the class. As stated in the auditor's final report, *"Students were reported as not having received credit for courses in which they lost credit or failed. The final submission cannot be corrected. After transcripts were verified in October 2019, Loss of Credit ("LOC") had not been corrected in many of transcripts contradicting the final Summer PEIMS submission."*³⁰

As stated in findings of fact 9, SISD graduated 18 students in the Class of 2019 who either did not earn credit in a required course, or failed a course, because SISD did not grade averages for credit. In order to meet academic graduation requirements, high school students in the state of Texas must accumulate the prescribed number of credits in the areas outlined in Tex. Educ. Code § 28.025(b-1). Additionally, 19 Tex. Admin. Code § 74.26(c) and (d)³¹ permit districts to award

³⁰ See Exhibit 3 – Page 9

³¹ See Appendix E

credit based on the student earning a grade the equivalent of 70 or above on a 100-point scale and award credit proportionally only if the student completes half of the course with a 70 or above.

Districts may also adopt a local policy that allows for the two parts of a course to be averaged together to determine knowledge at the 70 percent standard. For example, a student earning a 72 in the first semester of a course and a 68 the second semester would average out to a 70 and would be awarded credit for the entire course. SISD has adopted a policy that allows for grade averaging for credit. However, investigators found that multiple students were not awarded credit under this policy because SISD campus personnel did not complete and submit the credit averaging forms to initiate the process. Hence, students were not awarded credit for courses they demonstrated at least 70 percent knowledge of the curriculum. By graduating students who had not been awarded credit for required courses, SISD is in violation of Tex. Educ. Code § 28.025 and 19 Tex. Admin. Code Ch. 74.

As stated in findings of fact 10, SISD erroneously certified 55 students as graduates of the Class of 2019 without verifying all graduation requirements were met. The Texas Education Code outlines the basic criteria students must meet in order to graduate from high school. First, students must earn the required credits in the courses stipulated in Tex. Educ. Code § 28.025. Credits are earned by achieving at least a grade of 70 for each class taken. Second, students must meet attendance measures as defined in Tex. Educ. Code § 25.092. If a student earns a passing grade but does not meet the 90% attendance threshold, credit is withheld. Credit may be reinstated if the student completes a make-up plan established by the principal.

SISD designates the campus attendance committee to establish make-up plans. The 55 students earned a passing grade but lost credit because they did not meet the requisite 90%

attendance mark. The attendance committee met and provided the students with an opportunity to have their lost credit(s) reinstated. Documentation provided supports that many students completed their respective plans. However, credits for these students were not reinstated because the attendance committees did not meet to verify students had completed their plans until late July 2019 and as late as March 2020. This was nearly two (2) full months, and in some cases nearly nine (9) full months, after graduation. Therefore, since credits had not been reinstated, a large number of SISD students did not have the required number of credits to be certified as high school graduates.

As stated in findings of fact 10, SISD certified students as Class of 2019 graduates without verifying that all students had met attendance requirements, as outlined in Tex. Educ. Code § 25.092. As discussed in this report, there have been documented concerns regarding LOC in SISD dating back to 2015.³² Among the chief concerns identified in the 2015 LOC Audit, was campus personnel lacking knowledge of the District's plans for loss of credit, along with monitoring and maintenance of the documentation.

One of the areas of focus regarding the 2019 audit was to review documentation related to students who lost credit due to excessive absences in order to determine whether issues previously identified in 2015 had since been addressed. Documents reviewed indicate that processes and procedures related to deficiencies in LOC monitoring and maintenance of documentation still exist. For example, TEA investigators identified 55 students who lost credit due to absences and were not cleared by campus personnel as having completed their attendance make-up plan prior to being certified as graduates of the Class of 2019. Paperwork shows attendance committees did not

³² See Exhibit 2
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meet until the end of July 2019 or later to verify students completed their attendance plans in order to have earned credits reinstated. By not verifying that the students completed attendance make-up requirements until after graduation, SISD incorrectly certified these students as having met all requirements. Additionally, this led to the submission of incorrect graduation dates for these students.

As stated in findings of fact 11 through 14, SISD is out of compliance with minimum AAR reporting standards when it failed to include the required information on all AARs. As stated above, the Minimum Standards for the AAR provides guidance to districts regarding the required standard content of the AAR.³³ Additionally, the AAR guidance document states the following on page 3:

“The Academic Achievement Record (AAR) is an official and permanent record of a student's academic performance during high school and, in some cases, of high school courses completed prior to high school (19 TAC §74.14). Entries on this official record of actual courses taken, grades earned, credit awarded, and codes denoting special explanations must be consistent with teachers' records and the student's Individualized Education Program (IEP), when applicable.”

TEA investigators reviewed the final transcripts for the 276 students that the auditor identified as having graduated without meeting all graduation requirements. The documents show multiple areas where AARs were not in compliance with the minimum standards. For example, high school students are required to take and pass the EOC exams in English 1 and 2, Algebra 1, Biology 1, and U. S. History. A review of AARs revealed that 45 SISD graduates did not include accurate EOC information on the AAR as required. Additionally, TEA investigators found 55 AARs that did not have credit awarded for courses that students had received a passing grade of

³³ See Appendix B - Page 3 1.1(b)
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70 or above, which was due to having excessive absences resulting in LOC, and the campus attendance committees and administration failing to verify the information prior to graduation and the PEIMS submission date. Finally, as noted previously in this report, 77 AARs included an incorrect graduation date. SISD is in violation of Tex. Educ. Code § 28.025(e) and 19 Tex. Admin. Code § 74.14 by not including the required information on student AARs, SISD is not providing an accurate official and permanent record of the student's academic performance as is required by the Minimum Standards for the AAR.

Therefore, TEA finds that Allegation One is substantiated because student academic records were incorrectly recorded by SISD, resulting in at least 276 seniors who graduated in the Spring of 2019 without meeting all graduation requirements, in violation of Tex. Educ. Code § 28.002 and § 28.025, and 19 Tex. Admin. Code Ch. 74.

iii. SISD's response to Allegation One

SISD's response to Allegation One does not contest TEA's findings of fact regarding Allegation One.

B. Allegation Two

SISD failed to disclose Trustee Paul Guerra's business relationship with a vendor that contracted with the District, and despite the potential conflict, Trustee Guerra participated in the deliberation and vote regarding said vendor in violation of Tex. Local Government Code ("Tex. Loc. Gov't Code") § 171.002 Substantial Interest in a Business Entity³⁴, Tex. Loc. Gov't Code

³⁴ Appendix G - Tex. Loc. Gov't Code § 171.002
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§ 176.003 Conflicts Disclosure Statement Required³⁵, and Tex. Loc. Gov't Code § 171.004 Affidavit and Abstention from Voting Required.³⁶

i) Findings of Fact for Allegation Two

The following findings of fact are a result of TEA's independent review of board agendas, board minutes, board meeting video recordings, contracts, conflict disclosure forms, SISD policies and procedures, and video conference interviews with SISD administrators in January and June 2022.

1. Trustee Guerra has served on the SISD Board since 2010.³⁷
2. Trustee Guerra is a Territory Sales Manager for Inco Distributing Inc. (“Inco”).³⁸
3. Inco is an approved vendor for SISD since 2015.³⁹
4. Trustee Guerra failed to submit required conflict of interest forms regarding his employment with Inco for 2017, 2018, 2019, and 2020.⁴⁰
5. Inco submitted a bid to SISD pertaining to Request for Proposal (RFP) #2213 – Miscellaneous Operating Supplies - HVAC Heating and Cooling Equipment, Supplies, accessories, and all related items in September 2021.⁴¹
6. Trustee Guerra is listed as a company contact for Inco on information submitted in Inco’s bid regarding RFP #2213.⁴²

³⁵ Appendix H - Tex. Loc. Gov't Code § 176.003

³⁶ Appendix I - Tex. Loc. Gov't Code § 171.004

³⁷ Exhibit 11 – Trustee Guerra Interview 2021.09.08 Time Stamp 01:34:07

³⁸ Exhibit 12 – Trustee Guerra Inco position

³⁹ Exhibit 13 – Email from SISD Purchasing Dept.

⁴⁰ Exhibit 14 – Trustee Guerra CIS Forms

⁴¹ Exhibit 15 – Inco Bid – Page 3

⁴² See Exhibit 15 – Page 3

7. During the October 19, 2021, board meeting, Trustee Guerra participated in the deliberations regarding RFP #2213 and voted on a motion regarding Insko's inclusion in the list of proposed vendors for RFP #2313.⁴³
8. During the October 19, 2021, board meeting, SISD Trustees voted to approve the list of vendors recommended by the administration, which included Insko.⁴⁴

ii) Analysis of Allegation Two

TEA finds Allegation Two is substantiated because SISD and Trustee Guerra failed to disclose Trustee Guerra's substantial interest in a vendor that contracted with the District, and Trustee Guerra participated in the deliberation and voted on a motion regarding said vendor in violation of Tex. Loc. Gov't Code § 171.002, Tex. Loc. Gov't Code § 176.003, and Tex. Loc. Gov't Code § 171.004.

Chapters 171 and 176 of Tex. Loc. Gov't Code frame the requirements regarding conflicts of interest and disclosures of certain relationships for officials in school districts and other government entities. Specifically, Tex. Loc. Gov't Code § 171.002 defines the circumstances when a government official is deemed to have a substantial interest in a business. According to the statute, the official has a substantial interest if any one of three conditions are met. The conditions are: 1) owns 10% or more of the voting stock or shares of the business entity, 2) owns either 10% or more or \$15,000 or more of the fair market value of the business entity, and 3) received 10% or more of his or her income for the previous year from the business entity.

Tex. Loc. Gov't Code § 176.003 states that if it is determined an official has a substantial interest in a business entity, the official shall disclose the conflict of interest by filing a conflict-

⁴³ Exhibit 16 – 2021.10.19 Board video – Time Stamp 00:45:00

⁴⁴ Exhibit 17 – Board Minutes 2021.10.19 Page 3 ¶ 5
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of-interest statement ("CIS") that discloses the nature of the business relationship with the business entity. The CIS must include the official's employment or business relationship with the entity including the extent of the relationship. Additionally, the disclosure must include any gifts accepted by the official or a family member during the 12-month period preceding the date the official became aware of the contract between the government entity and the vendor or in the event the official became aware the local government entity was considering entering into a contract with the vendor.

In addition to the requirement of submitting a CIS form, if an official is determined to have a substantial interest, he or she must also abstain from voting and refrain from further participation in the official decision-making process. This is stipulated in Tex. Loc. Gov't Code § 171.004.

School district responsibilities to maintain CIS forms are defined in Tex. Loc. Gov't Code § 176.0065,⁴⁵ which states in part that districts must retain all CIS statements in accordance with the district's records retention schedule. Furthermore, Tex. Loc. Gov't Code § 176.009⁴⁶ explains that a district that maintains a website shall provide access to all CIS forms on that website.

As stated in findings of fact 1 through 4, and 6, SISD violated Tex. Loc. Gov't Code § 171.002 and Tex. Loc. Gov't Code § 176.003 when Trustee Guerra failed to complete the required CIS forms disclosing his relationship with a District vendor. Trustee Guerra has served on the SISD Board since 2010 and is employed as a territory sales manager for Inco. According to information received from the SISD Purchasing Department,⁴⁷ Inco has been a vendor with the District since 2015. By being an employee of a vendor conducting business with the District, Trustee Guerra is deemed to have a substantial interest in the business entity as outlined in Tex.

⁴⁵ Appendix J - Tex. Loc. Gov't Code § 176.0065

⁴⁶ Appendix K - Tex. Loc. Gov't Code § 176.009

⁴⁷ See Exhibit 13

Loc. Gov't Code § 171.002. Due to his substantial interest in Insko, Trustee Guerra is required to complete a CIS form for the 12-month period preceding the date he becomes aware that a contract with Insko has been executed or that SISD may be entering into a contract with the vendor. TEA requested all CIS forms for SISD trustees from 2016 to present. Documents provided by SISD included CIS forms completed by Trustee Guerra only in 2016 and 2021. SISD and Trustee Guerra violated Tex. Loc. Gov't Code § 176.003 by not completing CIS forms for 2017, 2018, 2019, and 2020 because Insko conducted business with the District and Trustee Guerra was a member of the Board.

As stated in findings of fact 5 through 8, SISD is in violation of Tex. Loc. Gov't Code § 171.004 by permitting Trustee Guerra to participate in the discussion and vote on a motion regarding Insko during the October 19, 2021 board meeting. Tex. Loc. Gov't Code § 171.004 states if a local government official is deemed to have a substantial interest, the official must abstain from voting as well as the decision-making process regarding the business entity. TEA investigators reviewed the October 19, 2021, board meeting in reference to this allegation.⁴⁸ The board meeting agenda included Consent Agenda Item Number 8 (E) (4) Miscellaneous Operational Supplies RFP No. 2213.⁴⁹ This RFP included a list of vendors that were to be recommended by the administration for approval. One of the vendors on the list was Insko. Trustee Barrera made a motion to approve the recommended list without Insko. The motion was seconded, and a discussion ensued. Trustee Guerra participated in the discussion to advocate for Insko to remain on the list. Upon the conclusion of the discussion, the board president called for a voice vote on the motion. Trustee Guerra voted against the motion. However, it was pointed out by Trustee

⁴⁸ See Exhibit 16 - Time Stamp 00:45:00

⁴⁹ Exhibit 18 – Board Agenda 2021.10.19 Page 2 Item # 8.E.4
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Barrera that Trustee Guerra voted. Since Insco is one of the vendors on the list, Trustee Guerra should have abstained prior to any discussion or action on the motion. The board president recounted the votes without Trustee Guerra's vote and the motion failed 4-2-1⁵⁰ with Trustee Guerra eventually stating he would abstain. By permitting Trustee Guerra to participate in the discussion item and then vote on the motion that included the company he is employed with, SISD and Trustee Guerra violated Tex. Loc. Gov't Code § 171.004.

Therefore, TEA finds that Allegation Two is substantiated because SISD and Trustee Guerra failed to disclose Trustee Guerra's business relationship with a vendor that contracted with the District as well as participated in the deliberation and voted on a motion regarding said vendor in violation of Tex. Loc. Gov't Code § 171.002, Tex. Loc. Gov't Code § 176.003, and Tex. Loc. Gov't Code § 171.004.

iii) SISD's Response to Allegation Two

The SISD response states that Tex. Loc. Gov't Code § 171.002, Tex. Loc. Gov't Code § 176.003, and Tex. Loc. Gov't Code § 171.004 pertain only to "local public and/or government officials" and therefore SISD has no legal duty to file conflict-of-interest affidavit(s) on behalf of a trustee or to disclose a substantial interest of a trustee. According to SISD's response, the duty to disclose such relationships rests with the person (i.e., the trustee) most knowledgeable of their personal circumstances giving rise to the conflict and therefore it is not SISD's responsibility to file the affidavits. As such, SISD reasons that Allegation Two cannot be entirely substantiated because not all findings and analysis are supported by requirements of the applicable and cited

⁵⁰ See Exhibit 17 – Page 3 ¶ 4
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statutes. SISD requests that the Findings of Fact and Analysis of the Facts be modified to remove SISD from being at fault under the statutes cited in the preliminary report.

SISD's response further asserts that Tex. Loc. Gov't Code Chapter 176 does not require SISD to file CIS statements for reasons argued previously. With regard to Trustee Guerra's obligation to submit a conflict-of-interest annually, SISD contends the annual requirement for filing a CIS form is for gifting conflicts only. The response goes on to express that the CIS form only covers, by law, gifts received from a vendor in the prior 12-month period. Furthermore, SISD states that for CIS submissions based on business conflicts, the statute does not expressly require an annual CIS filing. SISD's position is that once a CIS form based on a business or familial conflict is filed, that CIS form continues to be effective until it is withdrawn by the local government officer or until circumstances change making the CIS form inaccurate or incomplete. SISD requests that the finding should be modified or removed based on there not being a legal duty to annually submit a CIS.

SISD requests that TEA reconsider the finding that Trustee Guerra took part in the deliberation and vote on a motion regarding the vendor that employs him. SISD expresses that the official record of the vote pertaining to Guerra's employer, Insko Distributing, shows that he abstained from the vote. Additionally, SISD explains that it is Trustee Guerra's belief he did not directly deliberate on the motion as his comments were only related to his requirement to file a COI form regarding his employment with Insko. He further maintains that he did not advocate on behalf of Insko.

iv) TEA's Analysis of SISD's Response to Allegation Two

TEA is not inclined to reverse its findings regarding Allegation Two that SISD and Trustee Guerra failed to disclose Trustee Guerra's business relationship with a vendor that contracted with the District, and Trustee Guerra participated in the deliberation and voted on a motion regarding Insko in violation of Tex. Loc. Gov't Code § 171.002, Tex. Loc. Gov't Code § 176.003, and Tex. Loc. Gov't Code § 171.004. The intent of the conflict-of-interest and disclosure affidavits is to create transparency among the relationship(s) between vendors and public officials. Loc. Gov't Code § 176.003(a)(2)(A) states in part that a local government officer ("LGO") *shall* file a conflict disclosure statement with respect to a vendor if the vendor has an employment or other business relationship with the LGO that results in the officer receiving taxable income, other than investment income, which exceeds \$2,500 during the 12-month period preceding the date that the officer becomes aware of the contract or potential contract. Mr. Guerra provided this information on his 2016 CIS form, which indicates he understood the requirement.⁵¹

TEA maintains that the statute expressly requires that the LGO receiving income from a vendor conducting business with the entity, must complete the form during the 12-month period preceding the date the officer becomes aware that the government entity is considering or enters into a contract with the vendor as provided in Tex. Loc. Gov't Code § 176.003(a)(2)(A)(i-ii).. Therefore, the LGO must submit a CIS form annually if he/she is paid an amount that exceeds \$2,500 by the vendor and the vendor continues to conduct business with the local government entity.

Additionally, while SISD asserts that the responsibility to file the required forms rests ultimately with the individual and not with the district, TEA maintains that districts do have a

⁵¹ See Exhibit 14 - Page 1
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responsibility under Tex. Loc. Gov't Code § 176.0065. This statute states that the district records administrator *shall* maintain a list of local government officers of the district and shall make that list available to the public and any person who may be required to file a questionnaire. Since districts must keep a list of those required to file the forms, it makes sense that districts should know who needs to file and when the forms need to be filed. Furthermore, because districts are required to maintain the list, they can seamlessly implement additional processes and procedures by making certain all required disclosures are provided by those conducting business with the district and that the local government entity is being a good steward of taxpayer dollars.

Finally, while TEA acknowledges that Trustee Guerra officially abstained from the vote regarding Request for Proposal (RFP) #2213 – Miscellaneous Operating Supplies - HVAC Heating and Cooling Equipment, Supplies, Accessories, TEA maintains that Trustee Guerra's comments during the deliberation violated Tex. Loc. Gov't Code § 171.004. TEA reviewed and considered the District's response that Trustee Guerra was providing information regarding the completion of the required CIS form when he filed to run for the Board. However, while not directly advocating for Insko to be left on the list, Trustee Guerra did take exception to the motion that would exclude Insko from the list and attempted to clarify that the total amount approved for RFP #2213 would not entirely be paid to Insko.⁵²

C. Allegation Three

⁵² See Exhibit 16 – Timestamp beginning @ 00:47:40
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SISD paid unauthorized stipend(s) to staff members in violation of Tex. Educ. Code § 44.006,⁵³ Effect of Adopted Budget; Amendments and Tex. Educ. Code § 45.105 Authorized Expenditures⁵⁴.

i) Findings of Fact for Allegation Three

The following findings of fact are a result of TEA investigators' independent review of board agendas, board minutes, available board meeting video recordings, SISD Salary Manuals, SISD policies and procedures, and video conference interviews with SISD administrators.

1. In 2016 through 2022, SISD paid 246 SISD staff members unauthorized stipends.⁵⁵
2. In 2016 through 2022, SISD paid approximately \$283,000 in unauthorized stipends to SISD staff.⁵⁶
3. The SISD Board approved the 2015-16 compensation plan on May 19, 2015.⁵⁷
4. In 2015-16, SISD paid three (3) stipends that were not included in the approved compensation plan to 19 staff members, for a total dollar amount of \$20,725.00 as evidenced by the following:⁵⁸
 - a. "Spec Ed Multihandicap" stipend paid to three (3) staff for a total amount of \$2,625.00.
 - b. "Soccer-C" stipend paid to 10 staff for a total amount of \$13,000.00.
 - c. "Science Fair Coordinator MS" stipend paid to six (6) staff for a total amount of \$5,100.00.

⁵³ Appendix L - Tex. Educ. Code § 44.006

⁵⁴ Appendix M - Tex. Educ. Code § 45.105

⁵⁵ Exhibit 19 – Stipend List Paid from 2016-2021

⁵⁶ See Exhibit 19

⁵⁷ Exhibit 20 – 2015-16 Salary Book Page 5

⁵⁸ See Exhibit 19 – 2016 Tab

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5. The SISD Board approved the 2016-17 compensation plan on May 17, 2016.⁵⁹
6. In 2016-17, SISD paid two (2) stipends that were not included in the approved compensation plan to 14 staff members for a total dollar amount of \$15,331.28.00 as evidenced by the following:⁶⁰
 - a. "Spec Ed Multihandicap" stipend paid to two (2) staff for a total amount of \$3,000.
 - b. "Soccer-C" stipend paid to 12 staff for a total amount of \$12,331.28.
7. The SISD Board approved the 2017-18 compensation plan on May 16, 2017.⁶¹
8. In 2017-18, SISD paid two (2) stipends that were not included in the approved compensation plan to nine (9) staff members for a total dollar amount of \$16,573.09 as evidenced by:⁶²
 - a. "Spec Ed Multihandicap" stipend paid to two (2) staff for a total amount of \$2,213.90.
 - b. "Soccer-C" stipend paid to seven (7) staff for a total amount of \$14,359.19.
9. The SISD Board approved the 2018-19 compensation plan on May 15, 2018.⁶³
10. In 2018-19, SISD paid two (2) stipends that were not included in the approved compensation plan to 10 staff members for a total dollar amount of \$19,300.00 as evidenced by:⁶⁴
 - a. "Spec Ed Multihandicap" stipend paid to one (1) staff member for a total amount of \$1,500.00.

⁵⁹ Exhibit 21 – 2016-17 Salary Book Page 5

⁶⁰ See Exhibit 19 – 2017 Tab

⁶¹ Exhibit 22 – 2017-18 Salary Book Page 4

⁶² See Exhibit 19 – 2018 Tab

⁶³ Exhibit 23 – 2018-19 Salary Book Page 4

⁶⁴ See Exhibit 19 – 2018 Tab
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- b. "Soccer-C" stipend paid to nine (9) staff for the total amount of \$17,800.00.
11. The SISD Board approved the 2019-20 compensation plan on June 4, 2019.⁶⁵
12. In 2019-20, SISD paid five (5) stipends that were not included in the approved compensation plan to 31 staff members for a total dollar amount of \$66,364.24 as evidenced by:⁶⁶
- a. "Spec Ed Fund Living Skills" stipend paid to one (1) staff member in the amount of \$1,500.00.
 - b. "Spec Ed Self Contained" stipend paid to 19 staff for a total amount of \$25,034.79.
 - c. "Sparta Academy Coordinator" paid one (1) staff member for a total amount of \$13,529.45.
 - d. "Soccer C" stipend paid to nine (9) staff for a total amount of \$16,300.00.
 - e. "Physician Stipend" paid to one (1) staff member in the amount of \$10,000.00.
13. The SISD Board approved the 2020-21 compensation plan on May 19, 2020.⁶⁷
14. In 2020-21, SISD paid four (4) stipends that were not included in the approved compensation plan to 10 staff for a total dollar amount of \$40,483.58 as evidenced by:⁶⁸
- a. "Travel -Jul" stipend paid to a nurse practitioner in the amount of \$1,483.58.
 - b. "Health Science" stipend paid to one (1) staff member in the amount of \$15,000.00.

⁶⁵ Exhibit 24 – 2019-20 Salary Book Page 4

⁶⁶ See Exhibit 19 – 2019 Tab

⁶⁷ Exhibit 25 – 2020-21 Salary Book Page 4

⁶⁸ See Exhibit 19 – 2020 Tab
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c. "Soccer C" stipend paid to seven (7) staff for a total dollar amount of \$18,000.00.

d. "Physician Stipend" paid to one (1) staff member in the amount of \$6,000.00.

15. The SISD Board approved the 2021-2022 compensation plan on April 20, 2021.⁶⁹

16. In 2021-22, SISD paid an unauthorized "Architecture Instructor Aztec Academy" stipend to one (1) staff member in the amount of \$4,166.35.⁷⁰

17. In 2021-22, SISD paid an unauthorized "Campus Excellence Stipend" to one (1) staff member in the amount of \$4,532.76.⁷¹

18. In September 2022, SISD conducted an internal audit regarding UIL Academic Contest Stipends at Bill Sybert School.⁷²

19. The internal audit regarding UIL Academic Contest Stipends at Bill Sybert School found that SISD paid concurrent stipends, also known as double dipping, to four staff at Bill Sybert School.

a. Stipends concurrently paid were WIN teacher and UIL Academic stipends.

ii) Analysis of Allegation Three

TEA finds that Allegation Three is substantiated because from 2016 through 2022 SISD paid 246 stipends in the in the amount totaling \$283,000 of unauthorized stipends in violation of Tex. Educ. Code § 44.006 and Tex. Educ. Code § 45.105.

One of the duties of school boards is to adopt a budget for the succeeding year. This process is detailed in Tex. Educ. Code Ch. 44, Subchapter A. Additionally, Tex. Educ. Code § 44.006

⁶⁹ Exhibit 26 – 2021-2022 Salary Book Page 5

⁷⁰ See Exhibit 19 – 2021 Tab

⁷¹ See Exhibit 19 – 2021 Tab

⁷² Exhibit 4 – Internal Audit – UIL Academic Contest Bill Sybert School
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explains public funds may not be spent in any manner other than the items approved by the school board in the annual adopted budget. This statute also gives boards the authority to amend the budget to cover unforeseen expenses. Additionally, Tex. Educ. Code § 45.105 outlines the types of expenditures for which school boards may authorize the use of public funds. The funds may be used to pay teachers' and superintendents' salaries. Stipends for duties performed by personnel aside from contracted duties are also acceptable, provided the board has authorized payment of the stipends. Board authorization of salaries and stipends is done through the approval of the annual compensation plan which details all salaries and stipends the district will pay employees.

As stated in findings of fact 1 through 17, SISD paid out unauthorized stipends to staff members that were not part of the District's approved compensation plan. TEA investigators reviewed board meeting minutes and approved annual compensation plans for school years 2015-16 through 2021-22.

Additionally, TEA investigators reviewed documentation regarding stipends paid to SISD staff members from 2016 through 2021. Information analyzed by TEA investigators found that the SISD Board adopts the annual compensation plan in the spring prior to the upcoming school year. District policy regulation DEAA lists the various stipends and amounts paid to staff who perform extra duties and/or responsibilities is included as part of the District's compensation plans. A review of the annual compensation plans from 2016-2021 found there were 12 different stipends paid to staff members during the time period that were not included in the compensation plan(s) to be approved by the Board. Because they were not listed in the annual compensation plan, nor were they approved by the Board, the stipends are considered unauthorized. Based on the list of stipends paid from 2016 through 2022, these unauthorized stipends totaled approximately

\$283,000. By paying stipends not authorized by the Board, SISD violated Tex. Educ. Code § 44.006 and Tex. Educ. Code § 45.105.

As stated in findings of fact 18 and 19, SISD paid four (4) staff members at Bill Sybert School concurrent stipends when those staff conducted UIL Academic practices during instructional time. SISD WIN teachers are paid a stipend because their day is extended one hour so that they can work with students who may have deficiencies in an academic discipline. Four WIN teachers at Bill Sybert School are also paid a stipend to coach UIL Academic events. If a WIN teacher chooses to coach a UIL Academic event, they cannot conduct UIL Academic practices until after their extended day ends. If practices occur during instructional hours, this is considered “double dipping.” Hence, the four (4) teachers are being paid to be a WIN teacher and a UIL Academic coach during time only designated for WIN instructional time. By paying staff a UIL Academic stipend during the extended day, SISD violated Tex. Educ. Code § 44.006 and Tex. Educ. Code § 45.105.

Therefore, TEA finds that Allegation Three is substantiated because SISD paid unauthorized stipend(s) to staff members in violation of Tex. Educ. Code § 44.006 and Tex. Educ. Code § 45.105.

iii. SISD’s Response to Allegation Three

SISD’s response to Allegation Three does not contest TEA’s findings of fact regarding Allegation Three.

D. Allegation Four

In January 2020, SISD trustees and District staff met outside of regularly scheduled board meetings to discuss decisions regarding the results of the internal graduation audit in violation of Tex. Educ. Code § 11.1511 Specific Powers and Duties of the Board,⁷³ and Texas Government Code (“Tex. Gov’t Code”) Chapter 551, the Texas Open Meetings Act (TOMA).⁷⁴

i) Findings of Fact for Allegation Four

1. There was not enough information or factual evidence obtained during this investigation to determine whether there was a violation of the Texas Open Meetings Act. Therefore, this allegation is not substantiated at this time.

E. Allegation Five

SISD misused special education funds from 2019 through 2022 by assigning special education personnel to non-special education duties and used special education funds to purchase all furniture and equipment for a campus in violation of 19 Tex. Admin. Code § 89.1125 Allowable Expenditures of State Special Education Funds.⁷⁵

i) Findings of Fact for Allegation Five

1. There was not enough information or factual evidence obtained during this investigation to determine whether SISD violated 19 Tex. Admin. Code § 89.1125. Therefore, the allegation is not substantiated at this time.

IV. Summary

⁷³ Appendix N - Tex. Educ. Code § 11.1511

⁷⁴ Appendix O - Tex. Gov’t Code Chapter 551

⁷⁵ Appendix P - 19 Tex. Admin. Code § 89.1125
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This Special Investigation has established that SISD violated the Texas Education Code and the Texas Administrative Code with regard to graduation requirements. SISD also submitted erroneous PEIMS graduation information and failed to include all required information on student AARs. The above deficiencies found in this report demonstrate that the District has failed to adhere to the requirements that would enable them to know that all graduates have met all state and local requirements prior to the District certifying students as graduates. As stated above, TEA investigators identified students, who were confirmed as graduates, but did not meet all state and local graduation requirements. Additionally, investigators found that SISD submitted incorrect Public Education Information Management System (PEIMS) data and graduated students who were not in compliance with attendance requirements or minimum course and credit requirements.

Furthermore, TEA investigators found numerous AARs not in compliance with the Minimum Standards for the Academic Achievement Record.⁷⁶ Documents submitted by SISD, interviews with SISD Trustees, former superintendent, interim superintendent, and current and former district and campus staff provide evidence that violations did occur. The evidence shows that, while SISD does have policies and practices in place, there is a lack of adherence and consistency in following these controls. The evidence shows that SISD does not monitor the policies, regulations, and processes put in place. This lack of adherence has created an environment that hinders the District from knowing that all graduates have met all state and local requirements prior to the District certifying graduating students as graduates. These deficiencies date back as far as 2013.

⁷⁶ See Appendix B
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Ultimately, the District's long-standing pattern of deficiencies continue to allow students to leave the District without all of the necessary requisites to be high school graduates who are ready to attend college, begin a career or enter the military. TEA also found a lack of compliance in multiple areas of governance, including conflict-of-interest and unauthorized use of funds. Specifically, SISD violated the Texas Education Code by paying unauthorized stipends and violated the Texas Local Government Code when Trustee Guerra failed to submit the required conflict of interest forms for all of the years Insko conducted business with SISD. Furthermore, SISD permitted Trustee Guerra to take part and vote on an agenda item pertaining to a vendor by which he is employed.

Please consider this Final Report as the Agency's final findings as it relates to complaint #INV2020-02-122. These findings do not pertain to complaint #'s IR2023-01-002, INV2023-01-157, INV2023-09-188, INV2022-12-125, INV2022-09-112, INV2022-02-159, INV2021-08-103, INV2021-06-042, INV2021-06-040, INV2023-11-173, and INV2024-11-175 which are noted in Appendix Q and have been resolved through settlement with the District prior to the completion of this investigation.⁷⁷

Interventions

TEA sustains the findings in its preliminary report. In compliance with the previously executed settlement agreement, one or more conservators, who will be appointed to work with SISD to ensure compliance, prevent further issues that led to non-compliance, and assist the Board in working together as a team in the best interest of SISD students. The conservator will report to the

⁷⁷ Exhibit 31 – Agreed Order
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Agency on the development of a corrective action plan to address the issue(s) in accordance with Tex. Educ. Code § 39.004(d), 39A.001(2), and 39A.002(7).

TEA will implement all other terms of the Agreement, including, but not limited to, the review of the accountability ratings of both the District and each campus for the years preceding the 2023-2024 academic years.

The Agency reserves the right to implement all available interventions and sanctions under Tex. Educ. Code Chapter 39A and Title 19 Tex. Admin. Code, Chapter 97 to address any current or future deficiencies identified for SISD not resolved by the parties' Agreed Order.