

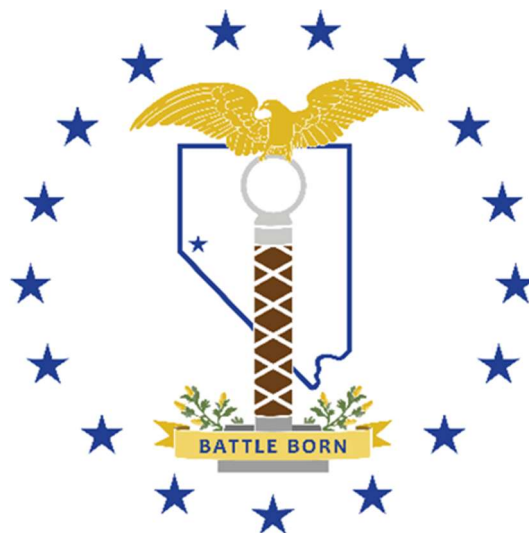
STATE OF NEVADA

Performance Audit

Class Sizes and Recruitment and Retention

State Public Charter School Authority

2026



Legislative Auditor
Legislative Counsel Bureau – Audit Division

Audit Highlights



Highlights of performance audit report on Class Sizes and Recruitment and Retention for State Public Charter School Authority issued on August 20, 2026.

Legislative Auditor report # LA26-15.

Background

In the 1997 Legislative Session, the first Nevada public charter school laws were ratified with the intent of serving at-risk children. This allowed local school boards, the Nevada Department of Education, and the Nevada System of Higher Education to serve as sponsors of charter schools. In 2011, State Public Charter School Authority (SPCSA), a governmental agency, was created by Nevada Senate Bill 212 to be a statewide charter school sponsor.

At the start of the 2024-25 school year, SPCSA served 63,609 students at 81 schools. SPCSA sponsors schools with a variety of models to choose from, including alternative high schools serving under-credited students, art integration, Montessori, sports leadership and management, dual enrollment, online or blended learning, classical education, as well as Science, Technology, Engineering, and Mathematics.

As of June 2026, SPCSA had 45 filled positions and was approved for 52 positions, including the 9 board members. SPCSA is funded by a 1.25% administrative fee on its sponsored schools' per-pupil funding. For 2024, administrative fees received totaled approximately \$7 million. Additional funding comes from federal and state grants. As a local education agency for the schools it sponsors, SPCSA must serve as a pass-through entity for state and federal grant funds. SPCSA has offices in Reno, Carson City, and Las Vegas.

Purpose of Audit

This audit was required by Assembly Bill 517 (Chapter 454, Statutes of Nevada, 2023). The purpose of the audit was to evaluate the efficacy of any strategy or program for recruitment or retention of qualified staff and class-size reduction.

Audit Recommendations

This audit report contains 12 total recommendations to improve SPCSA's oversight of class sizes and recruitment and retention at charter schools.

SPCSA accepted the 12 recommendations.

Recommendation Status

SPCSA's 60-day plan for corrective action is due on November 17, 2026. In addition, the 6-month report on the status of audit recommendations is due on May 17, 2027.

Class Sizes and Recruitment and Retention

State Public Charter School Authority

Summary

Although the State Public Charter School Authority (SPCSA) has an extensive process for evaluating charter applications, some improvements are needed to enhance its effectiveness as authorizer. Specifically, SPCSA needs to improve its review of charter schools' applications related to proposed class sizes, recruitment and retention plans, and staffing plans. Current SPCSA practices do not always align with best practices. Using best practices when available and documenting the rationale used for application evaluations can help to avoid inconsistent treatment between applicants and ensure schools are equipped with the most comprehensive and well-designed plans possible. The purpose of a charter school application is to present the applicant's academic and operational plans and to demonstrate the applicant's ability to execute those plans.

SPCSA has developed an extensive process, as required by statutes, for evaluating a charter school's academic, financial, and operational performance. However, our audit revealed enhancements are needed within the organizational performance framework relative to monitoring class sizes, total enrollment, and staffing activities. Enhancements are necessary to ensure the charter contract and state laws and regulations are more closely followed. The requirements of the organizational performance framework are derived from state and federal laws and the operating terms proposed in the charter application. One of SPCSA's core responsibilities as an authorizer of charter schools is to protect the public interest. According to SPCSA, their organizational performance framework is their primary mechanism for carrying out this responsibility.

SPCSA needs to provide additional oversight of charter schools' teacher qualifications. We found noncompliance with laws and regulations that require teachers to hold specific licenses to provide instruction to students with disabilities and students learning English as a second language. We also found charter schools relied heavily on personnel only meeting minimal Nevada Department of Education (NDE) licensing requirements when filling their teaching positions. State statutes currently require 80% of all teachers and 100% of teachers providing instruction on core content subjects to have a license issued by NDE pursuant to Nevada Revised Statutes (NRS) Chapter 391. In addition, our testing revealed that, on average, 30% of the teaching staff in charter schools held a substitute license in school year 2023-24. A substitute license requires less education and proof of competency than most other licenses issued by NDE.

Key Findings

SPCSA approves proposed class sizes in applications without any documented methodology for how they determined the reasonableness. Best practices require authorizers to establish documented criteria for evaluating charter applications. Class sizes outside the established best practices can affect the fidelity of the proposed instructional model. (page 6)

Application guidance and evaluation rubrics provided by SPCSA to evaluators of charter applications did not include specific criteria or guidance regarding an effective recruitment plan, including those contained in national best practices. Approving applications without a viable plan may result in the school having to underfill positions and rely on staff meeting minimal licensing requirements. (page 7)

Our testing of nine school applications revealed two failed to disclose the minimum qualifications and licensure requirements for employment as a general education/core content teacher at their school, but this was not identified by SPCSA evaluators. (page 9)

Many charter schools sponsored by SPCSA we tested did not adhere to the class sizes specified in their initial application. Our testing of 15 schools revealed 9 of 15 (60%) had classes exceeding the class size indicated in their application and 4 of 15 (27%) schools had classrooms exceeding the class sizes proposed in the application by 10% or more. (page 11)

SPCSA did not have an effective monitoring process to identify charter schools whose actual enrollment is outside the thresholds established in their charter contracts. As a result, SPCSA did not identify all schools that were out of compliance and did not receive required notifications from noncompliant schools. Schools enrolling students above the contracted maximum threshold can increase revenues without necessarily increasing the services provided, such as increasing class sizes without adding teachers. (page 13)

In our testing of 15 charter schools, we found 12 of 47 (26%) special education classrooms had teachers lacking the licensure required by state law. Additionally, we found 3 of 7 (43%) ESL-specified classrooms had teachers that lacked the licensure required by state law and 38% of the core content classroom teachers, in all grades, lacked licensure specific to the course taught. (page 19)

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This report contains the findings, conclusions, and recommendations from our performance audit, *Class Sizes and Recruitment and Retention – State Public Charter School Authority*. This audit was required of the Legislative Auditor by Assembly Bill 517 (Chapter 454, Statutes of Nevada, 2023). The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, school districts, programs, activities, and functions.

This report includes 12 recommendations to improve oversight of class sizes and recruitment and retention at charter schools. We are available to discuss these recommendations or any other items in the report with any legislative committees, individual legislators, or other state officials.

Respectfully submitted,

A handwritten signature in black ink, reading "Daniel L. Crossman".

Daniel L. Crossman, CPA
Legislative Auditor

July 20, 2026
Carson City, Nevada

Class Sizes and Recruitment and Retention

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Introduction

Background

In the 1997 Legislative Session, the first Nevada public charter school laws were ratified with the intent of serving at-risk children. This allowed local school boards, the Nevada Department of Education (NDE), and the Nevada System of Higher Education to serve as sponsors of charter schools. The State Public Charter School Authority (SPCSA), a governmental agency of the State of Nevada, was created by Senate Bill 212 (Chapter 381, Statutes of Nevada, 2011) to be a statewide charter school sponsor.

Staffing and Schools Served

SPCSA is governed by a board that consists of nine members of which two are appointed by the Governor, four are appointed by the Legislature, two are appointed by the State Board of Education, and one is appointed by the Charter School Association of Nevada. An executive director is appointed by the Governor from a list of three candidates submitted by SPCSA's Board. As of June 2026, SPCSA had 45 filled positions and was legislatively approved for 52 positions, including the 9 board members. SPCSA has offices located in Reno, Carson City, and Las Vegas.

At the beginning of the 2024-25 school year, SPCSA served 63,609 students at 81 charter schools. SPCSA-sponsored charter schools offer a variety of school models for families to choose from, including alternative high schools serving under-credited students, art integration, Montessori, sports leadership and management, dual enrollment, online or blended learning, classical education, as well as STEM schools (Science, Technology, Engineering, and Mathematics).

Budget

SPCSA is funded by a 1.25% administrative fee on each of its sponsored schools' per-pupil funding. For fiscal year 2024, administrative fees received totaled approximately \$7 million.

Additional funding comes from federal and state K-12 education grants. As a local education agency for the schools it sponsors, SPCSA must serve as a pass-through entity for state and federal funds.

General Roles and Responsibilities of SPCSA

SPCSA's statutory purpose is to authorize, provide oversight, preserve autonomy, and serve as a model of best practices for the charter schools it sponsors. SPCSA has the following duties defined in statutes:

- **Authorizing Duties:** Include evaluating, approving, or declining charter applications. Also, the duties include negotiating, developing, and executing charter contracts and determining if contracts should be renewed. The purpose of authorizers is to approve quality charter applications that meet identified educational needs, promote a diversity of educational choices, and deny weak or inadequate charter applications.
- **Oversight Duties:** Include monitoring, in accordance with state laws and the charter contract, the performance and compliance of each sponsored charter school.
- **Federal Local Educational Agency (LEA) Duties:** SPCSA is designated as the LEA which assigns oversight and monitoring responsibility to ensure adherence to state standards regarding specific federal funding. This includes provisions regarding a free and appropriate public education and special education related services.

To evaluate and monitor the performance of its sponsored charter schools, SPCSA is required to adopt a performance framework and incorporate it into the charter contract. Additionally, Nevada's performance framework is in law and is tied to best practices developed by the National Association of Charter School Authorizers. Furthermore, the framework incorporates the star ratings issued by the Nevada School Performance Framework when available. The performance framework must include performance indicators, measures, and metrics in three categories as follows:

- **Academic Framework:** Addresses the academic achievement and proficiency of pupils enrolled in the charter school, including the progress of pupils from year to year. The measure of pupil achievement is based on the model adopted by NDE.
- **Financial Framework:** Measures the financial condition and sustainability of the charter school through the use of near-term and long-term financial management indicators.
- **Organizational Framework:** Addresses the performance of the governing body of the charter school including compliance with the terms and conditions of the charter contract and state laws. The framework provides compliance targets for legal and contractual obligations schools must meet such as governance and special education requirements.

School academic performance is considered the most important factor in SPCSA's decision making, particularly for renewal, nonrenewal, expansion (increasing enrollment at an existing school), and replication (opening a new school based on an existing school's successful model). However, financial and operational performance also play an important role. SPCSA must also be able to determine, on an ongoing basis, if a school is financially viable. Financial performance is important because financial shortcomings can impact a school more quickly and significantly than other deficiencies. The organizational framework has been deemed by SPCSA as the primary mechanism for carrying out their responsibility with respect to protecting the public interest.

Statutes authorize SPCSA to reconstitute the governing body of a charter school or terminate a charter contract for several reasons, including persistent underperformance of the charter school. This includes underperformance in pupil achievement and school performance pursuant to regulations adopted by NDE. Regulations define persistently underperforming as falling into the two lower tiers, for three ratings cycles, pursuant to the statewide system of accountability. Persistent underperformance also

means the charter school failed to consistently comply with the elements of the performance framework.

Applicability of State Class-Size Laws to Charter Schools and SPCSA's Role

Unlike Nevada's school districts, statutes do not set specific pupil-to-teacher ratios for grades kindergarten through 3rd grade in charter schools. Charter schools are also not required to develop a plan for achieving the nonbinding ratios established by NDE for grades 1 to 12. However, charter schools are required to report average class sizes as a part of the annual reports of accountability and as part of the school discipline reporting.

SPCSA management has stated class size is an important part of the initial application evaluation for potential new charter schools. However, they expressed concerns about ongoing monitoring of class sizes in any meaningful way and are more concerned with student outcomes. Their interpretation is class sizes live in the design and flexibility/autonomy that charter schools have, and students can transition between schools to meet the desired educational outcomes.

Although state laws do not specify class sizes for charter schools, statutes require charter applicants to disclose their planned class size as part of their proposed instructional design. SPCSA is responsible for evaluating charter applications as part of its authorizing function. The charter application becomes a part of the charter contract through reference within the contract. Monitoring compliance with the charter contract and laws falls under SPCSA's oversight duty. The organizational performance framework is the tool which addresses contract compliance.

State Recruitment and Retention Laws for Charter Schools and SPCSA's Role

Nevada law requires charter applicants to disclose a staffing chart for the first year of operation and a projected staff plan for the term of the charter contract. Similar to class-size reduction, SPCSA evaluates the adequacy of the staffing and recruitment plans in the application. SPCSA also monitors staffing and recruitment at charter schools during the term of the contract.

Scope and Objectives

This audit was required of the Legislative Auditor by Assembly Bill 517 (Chapter 454, Statutes of Nevada, 2023), included in Appendix A, and was conducted pursuant to the provisions of Nevada Revised Statutes (NRS) 218G.010 to 218G.270 and NRS 218G.600 to 218G.625.

The scope of our audit focused on SPCSA's activities between July 1, 2021, and June 30, 2024. Our audit objectives were to:

- Evaluate the efficacy of strategies implemented by SPCSA and select charter schools to reduce and monitor class sizes.
- Evaluate the efficacy of strategies for recruitment or retention designed to ensure the availability of qualified teachers, other educational personnel, and other support staff.

The Legislative Auditor conducts audits as part of the Legislature's oversight responsibility for public programs. The purpose of legislative audits is to improve state government by providing the Legislature, state officials, and Nevada citizens with independent and reliable information about the operations of state agencies, school districts, programs, activities, and functions.

Application Review Process Could Be Enhanced

Although SPCSA has an extensive process for evaluating charter applications, some improvements are needed to enhance its effectiveness as authorizer. Specifically, SPCSA needs to improve its review of charter schools' applications related to proposed class sizes, recruitment and retention plans, and staffing plans. Current SPCSA practices do not always align with best practices. Using best practices when available and documenting the rationale used for application evaluations can help to avoid inconsistent treatment between applicants and ensure schools are equipped with the most comprehensive and well-designed plans possible. The purpose of a charter school application is to present the applicant's academic and operational plans and to demonstrate the applicant's ability to execute those plans.

Evaluation of Proposed Class Sizes and Recruitment and Retention Plans Not Sufficient

SPCSA approves proposed class sizes in applications without documenting the methodology for how they determined the reasonableness. Specifically, professional judgment is used to assess the reasonableness of proposed class sizes without a documented methodology or basis. Furthermore, SPCSA has not developed criteria for assessing reasonableness of an applicant's proposed recruitment and retention plans. Best practices require authorizers to establish documented criteria for evaluating charter applications. Without a documented methodology or basis for decisions made, management cannot effectively defend its decisions if challenged by applicants. A thorough assessment of recruitment plans is necessary to ensure schools can hire appropriate staff within the current job market.

Basis for Assessing Reasonableness of Proposed Class Sizes Not Clearly Documented

SPCSA published application guidance and a rubric to assist evaluators in their assessment of the charter application; however,

proposed class sizes were approved in applications without a documented methodology, in part, because SPCSA's application guidance and rubric lacked written instructions for evaluating class sizes. The evaluation team is led by an SPCSA staff member and has at least two external reviewers with expertise in the educational field and knowledge of best practices for authorizing charter schools. However, evaluators were not given written instructions to evaluate class sizes. Our testing of the four application guidance documents and four application rubrics, effective during our audit period, revealed the following:

- None of the four versions of each document contained instructions on whether to use nationally recognized criteria or professional judgment for assessing reasonableness of class size. Furthermore, the documents contained no instructions on how to document the methodology or basis for professional judgment when used to assess reasonableness.
- SPCSA does not use recognized best practices, when available, to help evaluate the appropriateness of proposed class sizes in the application. Better known instructional models, like Montessori, often establish best practices for class-size ratios. SPCSA indicated professional judgment was used to evaluate the proposed class sizes. Where suitable, additional tools can be used when applications follow established charter school models.

Class sizes outside the established best practices can affect the fidelity of the proposed instructional model. Furthermore, the use of professional judgment without written guidance or policies and procedures can result in inconsistent treatment of applicants as judgment may significantly differ from one evaluator to another.

Process for Assessing the Adequacy of Recruitment and Retention Plans Underdeveloped

SPCSA could improve its process for assessing the adequacy of proposed recruitment and retention plans by developing a definition of what an effective plan should include. State law requires charter applicants provide a proposed recruitment and

retention plan as part of the application. It further requires SPCSA to perform a thorough evaluation of the charter application.

Our review of the application guidance and rubrics effective during our audit identified they contained some criteria or guidance regarding the contents of an effective recruitment plan, but could be improved. For example, the rubric and guidance lacked reference to best practices established by the National Alliance for Public Charter Schools for the recruitment and retention of teachers, which includes:

- **Data Collection and Analysis:** Establishes the principle a school should collect as much data as possible and invest in the strategic usage of such data.
- **Social Media/Online Marketing:** Social media is not just about having accounts, but strategically commenting, responding, and reaching out to prospective candidates. Schools should show a social media strategy that articulates the school's values, builds brand recognition, and targets specific candidates via their social media presence.
- **Pipelines:** Schools should create as many diverse pipelines as possible and put time and money towards strengthening them.

According to SPCSA management, recruitment plans receive less scrutiny because conditions change quickly and, at the end of the day, it is just a plan. However, in our research of best practices, we found:

- According to the National Alliance for Public Charter Schools, charter schools that have not adapted their recruitment plans to current recruitment methods are at a significant disadvantage when it comes to recruiting.
- According to the American Association of School Personnel Administrators, an effective plan will demonstrate an awareness of the current labor market, including how many candidates exist from a potential pipeline. The plan should also be aware of competitor

activity, including who else is hiring for the same role and what unique benefits they are offering.

Charter applicants not demonstrating an understanding of the current hiring environment within their recruitment and retention plan may ultimately be unable to fill the positions they need. Approving applications without a viable plan may result in the school having to underfill positions and rely on staff meeting minimal licensing requirements, which is discussed further beginning on page 19 of this report.

Weaknesses Identified in Reviewed Staffing Plans

SPCSA could improve the effectiveness of its authorization role when evaluating proposed staffing in a charter application. State law requires applicants provide, as part of the application, a staffing plan for the term of the charter contract. Our audit identified weaknesses in staffing plans that were not identified by SPCSA application evaluators. Weaknesses were not identified because the tool used by SPCSA to evaluate the adequacy of the plan was missing information regarding state and federal laws related to staffing requirements. Based on SPCSA evaluator documentation, or a lack thereof, the deficiencies in all but one application were not identified by SPCSA. Our testing of nine schools revealed the following:

- 2 of 9 (22%) applicants failed to disclose the minimum qualifications and licensure requirements for employment as a general education/core content teacher at their school. This deficiency was not identified by SPCSA application evaluators.
- 9 of 9 (100%) applicants indicated they would employ a First Aid Safety Assistant (FASA) to provide for the medical needs of students without addressing required supervision and oversight by a school nurse. Applicants also indicated the FASA would perform scoliosis examinations, which they were prohibited from doing at the time by nursing regulations and the advisory opinion of the State Board of Nursing.

Deficiencies in the application were not detected because SPCSA has not developed a comprehensive list of state and federal laws regarding staffing requirements. Furthermore, the application

rubric, used by SPCSA application evaluators, did not have a comprehensive list of laws to provide a complete evaluation of proposed staffing qualifications in the areas of general education and core content teachers, special education, English as a second language, and school health services.

Best practices in school human resource management established by the American Association of School Personnel Administrators indicate a good talent acquisition plan involves conducting a job analysis to identify position requirements and develop accurate job descriptions. When staff qualifications are not properly disclosed in the application, the ability for SPCSA to properly evaluate the applicant's capacity to meet its proposed academic and operational objectives is hindered. Furthermore, SPCSA is unable to adequately determine if proposed staffing is sufficiently qualified to provide services required by state and federal laws.

Recommendations

1. Develop specific guidance and criteria for assessing the reasonableness of proposed class sizes in the charter application and use best practices to assist with the assessment when available.
2. Develop criteria for assessing the reasonableness of proposed recruitment and retention plans and the applicant's ability to fill proposed staffing plans.
3. Enhance application evaluation tools to include criteria for evaluating an applicant's ability to comply with state and federal laws regarding staffing requirements and qualifications.
4. Ensure applications specifically disclose the minimum qualifications of teaching and other professional staff the school intends to hire, such as education level and licensing.

Monitoring of Class Sizes, Total Enrollment, and Staffing Activities Needs Improvement

SPCSA has developed an extensive process, as required by statutes, for evaluating a charter school's academic, financial, and organizational performance. However, our audit revealed enhancements are needed within the organizational performance framework relative to monitoring class sizes, total enrollment, and staffing activities. Enhancements are necessary to ensure the charter contract and state laws and regulations are more closely followed. The requirements of the organizational performance framework are derived from state and federal laws and the operating terms proposed in the charter application. One of SPCSA's core responsibilities as an authorizer of charter schools is to protect the public interest. According to SPCSA, their organizational performance framework is their primary mechanism for carrying out this responsibility.

Monitoring of Class Sizes Not Performed

Most SPCSA-sponsored charter schools we tested did not adhere to the class sizes specified in their initial application. SPCSA does not have a process for monitoring class sizes once charter schools are operational and management does not consider class size a material part of the contract. Although class size is not considered material by SPCSA, it affects contract compliance, truth in advertising to the public, fidelity of the specific instructional model chosen by the charter school, and fiscal equity. In addition, allowing a charter school to be out of compliance with its contract is inequitable to those schools that do comply. A charter school may be motivated to exceed planned class-size ratios to increase revenues.

While we found class sizes above the planned levels, none were egregious. Our testing of 15 charter schools revealed:

- 9 of 15 (60%) schools had classrooms exceeding the class sizes indicated in their applications. For the 15 schools tested, we found 68 of 204 (33%) classrooms exceeded the class size in the application. This ranged from one to seven students over the planned class size.
- 4 of 15 (27%) schools had classrooms exceeding the class sizes proposed in the application by 10% or more. For these 4 schools, 20 of 204 (10%) classrooms were over by more than 10%. Specifically, the actual number of students exceeded the planned class size by three to seven students.

We identified a few reasons that contributed to these issues at charter schools. The charter contract allows for class-size fluctuations to accommodate staffing exigencies and attrition patterns, provided such modifications are consistent with the contract. SPCSA indicated a greater than 10% fluctuation between actual and proposed enrollment is material; however, it has not defined what constitutes a significant change in class sizes for contract purposes. Furthermore, SPCSA has not identified best practices for the proposed instructional models as a basis for determining the reasonableness of class sizes in the application.

Our testing also found charter schools did not request a determination from SPCSA regarding the materiality of actual class sizes exceeding approved class sizes specified in the contract. Specifically, our testing found:

- 9 of 15 (60%) schools with actual class sizes exceeding approved class sizes did not request a determination from SPCSA regarding the materiality of exceeding approved class sizes. Furthermore, these nine did not notify SPCSA they exceeded approved planned class sizes for a determination of materiality.

Nevada Administrative Code (NAC) 388A.335 requires a charter school wanting to amend its contract, in a manner that is not

Charter School Enrollment Monitoring Not Effective

covered in other regulations, to submit a written request to the sponsor for a determination of whether the proposed amendment is material or nonmaterial. However, SPCSA has not developed policies and procedures or issued any guidance regarding written requests to determine materiality of contract changes. Furthermore, SPCSA does not enforce these requirements.

SPCSA did not have an effective monitoring process to identify charter schools whose actual enrollment was outside the thresholds established in their charter contracts. As a result, SPCSA did not identify all schools that were out of compliance and did not receive required notifications from noncompliant schools. Enforcing enrollment thresholds is important because Nevada's school funding formula is tied to enrollment. Schools enrolling students above the contracted maximum threshold can increase revenues without necessarily increasing the services provided, such as increasing class sizes without adding an additional teacher. In contrast, schools with enrollment below the minimum contracted threshold could be showing early signs of fiscal problems and other issues related to a school's operational and financial performance.

We tested 81 charter schools active at the beginning of the 2023-24 school year that were reviewed by SPCSA. SPCSA identified 21 schools that were out of compliance; however, our testing of the same 81 charter schools revealed an additional 11 noncompliant schools. For the additional schools, the following was noted:

- 5 of 11 (45%) schools were identified as compliant by SPCSA during their review of enrollment; however, 3 of these schools exceeded the 10% enrollment threshold and 2 were below the 10% threshold.
- 6 of 11 (55%) were compliant during SPCSA's review but went out of compliance later during the school year. One of these schools exceeded the 10% threshold and the other 5 dropped below the 10% threshold.

The charter contract indicates an increase or decrease of 10% of contracted enrollment is a material change to the contract.

Furthermore, SPCSA lacked documented policies and procedures regarding the monitoring of the enrollment threshold. Additionally, SPCSA only reviews enrollment numbers against the contract value at the beginning of the year on validation day, in early October. None of the 32 schools found to be noncompliant notified SPCSA they were out of compliance with the contracted enrollment minimum or maximum.

One additional cause for over-enrollment was noted. Two schools were over the enrollment threshold because the schools added a prekindergarten program. SPCSA was unclear whether prekindergarten should count as a grade level for enrollment threshold purposes. For example, when one school first enacted its prekindergarten program, SPCSA counted the prekindergarten students towards the enrollment cap and required a contract amendment. The same school's charter contract was renewed without prekindergarten students counted toward the enrollment cap, even though the total enrollment figure did not change. Furthermore, regulations governing charter contract amendments do not define what constitutes a grade level for purposes of enrollment thresholds and contract amendments.

Monitoring of Staffing Activities at Charter Schools Was Inadequate

SPCSA staff did not adequately monitor the licensure of teachers at the charter schools it authorized. Specifically, adequate policies and procedures were not in place to review the staff report submitted by the schools. Each school is required to submit a report annually describing various attributes of all staff at the charter school. SPCSA staff indicated only unusual licenses and duplicates were reviewed prior to the 2024-25 school year. While SPCSA performed a limited review, there were several errors found on the 2023-24 school year staff report. Additionally, SPCSA staff completed a review of the self-certification submissions by the charter schools; however, they did not follow up with schools in all cases when submitted forms indicated noncompliance.

Charter School Staff Licensure Was Not Monitored

Out of 199 teachers in 5 schools tested, 37 (19%) had errors in classification. The following was noted regarding licensing:

- 19 of 199 (10%) teachers were improperly classified as core content teachers.
- 5 of 199 (3%) teachers were improperly classified as other than core content teachers, but were responsible for core content.
- 6 of 199 (3%) teachers were unable to be classified due to clerical errors in the report.

State law requires core subjects to be taught as applicable for grade levels in all public schools. Core academic subjects are defined in NRS 389.018. The subjects directly relate to a student's credit requirements for graduation. No policies and procedures or guidance were in place to assist staff in determining what constitutes a core content course. Additionally, while a teacher may have been licensed, there was no review of teachers with licensure and endorsements outside of the area they taught. Improved monitoring of the staffing situations at charter schools could help SPCSA identify situations of noncompliance with laws and regulations.

Self-Certification Form Submissions at Some Schools Indicated Noncompliance

We examined the self-certification forms for 15 schools over 2 school years, 2022-23 and 2023-24, and found instances of noncompliance. These forms are used as a tool in the scoring of schools to determine their compliance rating during the annual review by SPCSA. Some instances showed no evidence of follow-up or deductions on the school's organizational performance framework (OPF) score by SPCSA as described below:

2022-23 School Year

- 4 of 15 (27%) schools self-reported a failure to comply with state licensing requirements. Three schools failed to comply with English as a second language teacher requirements and one school failed to comply with special education teacher requirements as shown on the form. There was no evidence of SPCSA working with the school to resolve noncompliance or deduct points from the OPF score.

- 1 of 15 (7%) schools did not submit a self-certification form. There was no evidence that SPCSA completed follow-up with this school or deducted points from the OPF score.

2023-24 School Year

- 2 of 15 (13%) schools failed to submit the self-certification form for the school year. Although both schools had points deducted from the OPF score, there was no follow-up to ensure the deficiency was remedied.
- 4 of 15 (27%) schools self-reported a failure to comply with state licensing requirements for special education teachers. There was no evidence that SPCSA worked with the schools to resolve the noncompliance or deduct points.

If noncompliance is not appropriately reflected in the OPF scores, decision-makers and parents may not get an accurate understanding of charter schools' operations. Without follow-up, the schools may continue to be noncompliant and students may not be taught by appropriately qualified teachers.

Recommendations

5. Define what constitutes a material change to the class sizes approved in the charter contract and communicate this to charter holders.
6. Develop policies and procedures to monitor class sizes when they are materially different from the sizes indicated in the application.
7. Define in policy the calculation of charter schools' contractual enrollment cap, including how prekindergarten affects the enrollment cap.
8. Develop policies and procedures for periodic monitoring of enrollment thresholds through the school year and progressive follow-up and enforcement based on the level of noncompliance with the thresholds, including notification requirements.

9. Enhance the review of the annual staff reports to ensure accuracy of the charter schools' reporting.
10. Ensure the organizational performance framework aligns with statutory requirements for licensure.

More Oversight Needed of Schools' Teacher Qualifications

SPCSA needs to provide additional oversight of charter schools' teacher qualifications. We found noncompliance with laws and regulations that require teachers to hold specific licenses to provide instruction to students with disabilities and students learning English as a second language (ESL). We also found charter schools relied heavily on personnel only meeting minimal Nevada Department of Education (NDE) licensing requirements when filling their teaching positions. State statutes currently require 80% of all teachers and 100% of teachers providing instruction on core content subjects to have a license issued by NDE pursuant to NRS Chapter 391. In addition, our testing revealed that, on average, 30% of the teaching staff in charter schools held a substitute license in school year 2023-24. A substitute license requires less education and proof of competency than most other licenses issued by NDE.

Types of Licenses Issued by NDE and Licensing Requirements

NRS 391.031 establishes the different types of licenses issued by the Superintendent of Public Instruction. Furthermore, regulations defined in NAC Chapter 391 define the requirements for obtaining the specific licenses issued pursuant to NRS 391.031. Regulations further establish limitations on what some licenses are allowed to teach.

In addition, federal law, the Every Student Succeeds Act (ESSA), requires states adopt a plan to ensure that low-income and minority children enrolled in schools assisted under Title I are not served at a disproportionate rate by ineffective, out-of-field, or inexperienced teachers. ESSA further requires the local

Schools Not Complying with Special Education Teacher Requirements

education agency to ensure that all teachers working in a program supported with Title I funds meet applicable state certification and licensure requirements.

In our testing of 15 charter schools, we found 12 of 47 (26%) special education classrooms had teachers that lacked the licensure required by state law. We did not find waiver requests for those teachers. Eight of these schools were designated Title I schools and we noted 4 of 23 (17%) special education classrooms had teachers that did not meet the special education licensing requirements. By not using licensed special education teachers, the needs of students with disabilities may not be met. In addition, federal funds for students with disabilities may be at risk.

State law requires a teacher who is employed by a charter school to teach special education to have a special education teaching license. Federal law also has the same requirement.

Furthermore, licensed special education teachers must satisfy the educational requirements for the specific area of endorsement for the majority of the students they teach. Some examples of the different endorsements are autism, speech and language impairments, visual impairments, and developmental delays.

SPCSA stated there has been a shortage of licensed special education teachers for several years. In addition, it stated that while special education classrooms may be taught by a teacher without a special education license, all students' Individualized Education Programs are prepared by a teacher with a special education license. SPCSA management also stated they focus on outcomes, and it would take a dedicated full-time employee to track this information.

Finally, if schools are having trouble hiring licensed special education teachers, they can request an exemption from this requirement. Specifically, state regulations allow schools to request from NDE an exemption from these requirements for the rest of a school year, if unable to hire a teacher with a special education license. The request must include various information to provide evidence the school has made and will continue to make reasonable efforts to hire a licensed special education

Schools Not Complying with ESL Teacher Requirements

teacher. SPCSA stated it requested an exemption on behalf of the schools, but did not have documentation showing the request.

In our testing of 15 charter schools, we found 3 of 7 (43%) ESL-specified classrooms had teachers that lacked the licensure required by state law. At the 8 Title I schools in our sample, 2 of 4 (50%) ESL-specified classrooms had teachers that did not meet the ESL licensing requirements. By not using ESL-licensed teachers, ESL students' needs may not be met.

State law requires a teacher who is employed by a charter school to teach ESL to be licensed to teach ESL. In addition to having an elementary, secondary, or special education license, state regulations specify there are three endorsements that may satisfy the requirement for teaching ESL, as listed below:

- NAC 391.1301(1)(c) lists English as a second language as a comprehensive major/minor,
- NAC 391.237 covers English language acquisition and development, and
- NAC 391.242 covers bilingual education.

SPCSA, as an authorizer, requires an endorsement. As a part of the Organizational Performance Framework Technical Guide, SPCSA asks charter schools to certify they are staffing teachers with the English Language Acquisition and Development endorsement.

Schools Rely Extensively on Substitute-Licensed Teachers

State law requires charter schools' teachers to have licenses for at least 80% of personnel providing instruction to students. Due to the combining of virtual schools into single campuses and other schools not submitting staff reports for the school year reviewed, only 75 charter schools were included in our analysis. Of the 75 charter schools examined for the 2023-24 school year, 49 (65%) schools were staffed with over 20% of their teaching staff having only substitute teaching licenses. The average for all charter schools tested showed a 30% substitute teacher staffing ratio. Additionally, 18 of 75 (24%) schools had over half their staff licensed as substitute teachers. Exhibit 1 provides additional

detail on the number and percentage of schools that use teachers with substitute licenses.

Charter School Substitute Percentages

Exhibit 1

Substitute Percentage Category	Number of Schools	Percentage of Schools
0-20%	26	35%
21-40%	27	36%
41-60%	12	16%
61-80%	7	9%
81-100%	3	4%
Totals	75	100%

Source: Auditor analysis of teacher licenses in the All-Staff Report 2023-24 school year.

Core Content Teacher Requirements

State law also requires all charter school teachers providing instruction on core subject areas to have licenses. In our sample of 15 charter schools, we found 38% of the core content classroom teachers, in all grades, lacked licensure specific to the course taught. Of those 15 schools, 8 were Title I schools. We found that 45% of the core content teachers in the Title I schools tested were either substitute teachers, unlicensed teachers, or teaching out of the field for their license. Exhibit 2 shows the results of the testing:

Core Content Classroom Teachers

Exhibit 2

	Licensed Teachers	Teaching Out of Field	Substitute Teachers	Unlicensed Teachers	Total Core Content Teachers
All Sampled Schools (15)	283	31	134	11	459
	62%	7%	29%	2%	
Subset: Title I Schools (8)	144	17	94	8	263
	55%	6%	36%	3%	

Source: Auditor analysis of teacher licenses in the All-Staff Report 2023-24 school year.

Core content teacher requirements relate to the grade level of the students. Elementary education licenses have additional requirements to teach age-specific pupils in those lower grades. At the higher grade levels, starting in middle/junior high, licensees must also complete coursework to attain an endorsement specific to the area they will be teaching.

NRS 389 outlines academic subjects, instruction, and courses of study. In addition, statutes define requirements and core content

courses essential for students to graduate. Regulations for teachers, found for each licensure type in NAC 391.095 through NAC 391.113, ensure that teachers have essential training required to impart the required curriculum for core subjects.

Substitute License Requirements Are Less Than Other Licenses

The requirements to be a substitute teacher are less stringent than many other types of teaching licenses. Substitute licenses require less education and do not require passing competency requirements compared to other teaching licenses as noted in Exhibit 3.

Teacher License Types**Exhibit 3**

NRS 391.031 License Types	Minimum Degree Requirements	Competency Test Required	Minimum Number of Student Teaching Hours	Specific Coursework Required
Early Childhood Education	Bachelor's Degree	Yes	Yes	Yes
Elementary Education	Bachelor's Degree	Yes	Yes	Yes
Middle/Junior High School	Bachelor's Degree	Yes	Yes	Yes
Secondary/High School	Bachelor's Degree	Yes	Yes	Yes
Special Education	Bachelor's Degree	Yes	Yes	Yes
Special License:				
Nonrenewable Provisional	Bachelor's Degree	Yes	Yes ⁽²⁾	Yes
Alternative Route to Licensure	Bachelor's Degree	Yes	Yes ⁽²⁾	Yes
Secondary Career & Technical Education	Bachelor's Degree	Yes	Yes	Yes
Business & Industry	Varies ⁽¹⁾	Yes (except Military)	Yes (except Military)	Yes
Business & Industry Substitute	Varies ⁽¹⁾	No	No	Yes
General Substitute	60 college credits	No	No	No
Emergency Substitute	High School Diploma	No	No	No

Source: Nevada Revised Statutes Chapter 391 and Nevada Administrative Code Chapter 391.

⁽¹⁾ Business and Industry licenses generally require a high school diploma, 2 years or 4,000 hours of work experience in the field, and a professional license if one is required in the field.

⁽²⁾ Applicant must meet the requirements of the license applied for.

Substitute License Has Broader Reach Than Other Teacher Licenses

Of the various licenses issued by NDE, the substitute license has the widest range of educational reach even though it has less requirements to obtain than full teacher licenses. Substitute licensed teachers can teach in any grade prekindergarten through grade 12. Whereas teachers with other license types are limited to teaching content in their area(s) of endorsement. For example, NAC 391.146 through 391.158 specifies that a teacher must be

granted a waiver by the Superintendent of Public Instruction to teach outside his or her area of endorsement. The school must demonstrate that all reasonable alternatives have been explored and there is a plan to correct the situation in the future. SPCSA's interpretation of NRS 388A.518 is that a substitute license qualifies as a license under NRS 391; therefore, a substitute may be placed in any classroom setting allowing the charter schools to meet the licensed teacher requirements for 80% licensure, core content, special education, and English as a second language teachers.

Current Charter Schools Use the Substitute Teaching License as Stepping Stone to Gain Higher Level Licensed Teachers

SPCSA-sponsored charter schools are working to attract and retain licensed teachers. There are several recruitment methods used by charter schools to attract teachers. The charter schools we sampled cited social media, job fairs, word of mouth, higher education pipelines, and grow your own teachers among the recruitment methods used. SPCSA management indicated, due to the significant teacher shortage in the state, many schools use substitutes. Our sample showed that 20% of the substitutes worked to achieve a higher license within the next year. Additionally, the data showed in the following school year many substitutes already had a 4-year degree, which is an element of full licensure. We reviewed the following methods charter schools use to attain qualified teachers:

- According to many of our sample charter schools, the grow your own teacher/Alternative Route to Licensure (ARL) Program is a very effective teacher pipeline in current conditions. Of the 18 schools sampled, 17 cite this as a method used to attain qualified staff.
- In a sample of 630 teachers, for the 2023-24 school year, 220 (35%) were substitute endorsed or unlicensed. Of the 220 teachers, 44 (20%) converted to a standard, provisional, or alternative license within a year of our testing date, October 2023.
- For the 2024-25 school year, we examined education levels of teaching staff at 18 schools. Of 905 total

teachers, 296 (33%) are substitute licensed only. Of those substitutes, 222 have a 4-year degree; however, it is unclear whether that degree relates to the current teaching assignment. Additionally, 112 substitutes of the 222 (50%) are enrolled in an ARL program or a traditional degree program.

Contributing Factors to the Use of Substitutes and Unlicensed Teachers

Several factors contributed to the lack of fully certified teachers. SPCSA did not thoroughly vet the recruitment plans of new schools during the application process. SPCSA also lacks a process for monitoring schools after opening to determine the rate of success in attracting fully certified teachers.

Finally, the application of state law has resulted in staffing issues at charter schools. The interpretation of current statutes allows schools to hire substitute teachers and considers them licensed under NRS 391 making them an allowable contracted teacher of record. SPCSA has expressed the necessity of using substitute teachers to cover for core content, special education, and ESL. However, other state education officials were of the opinion substitutes do not meet the requirements.

Areas for Legislative Consideration

The Legislature establishes the statutory framework for licensing teachers and substitute teachers by enacting laws that define qualifications, examination and training requirements, and endorsement standards for educators seeking to teach in Nevada's public schools. Through this statutory framework, legislative oversight helps ensure that qualified teachers and substitutes are serving Nevada's classrooms and supporting students' access to the educational opportunities they need to succeed. The Legislature may want to consider clarifying whether substitute teachers fulfill the requirements for specific licensure in charter schools for core content, special education, and English as a second language.

Recommendations

11. Perform a review of applicants' initial recruitment plans to ensure they express a feasible method for recruiting highly qualified teachers.
12. Continue to monitor teacher licensure at charter schools for compliance with laws and regulations.

Appendix A

Excerpts From Assembly Bill 517, Chapter 454 From the 2023 Legislative Session

Assembly Bill No. 517—Committee on Ways and Means

CHAPTER 454

AN ACT relating to the Legislative Counsel Bureau; requiring the Legislative Auditor to conduct performance audits of certain school districts and the State Public Charter School Authority; authorizing the Chair of the Interim Finance Committee to request certain additional audits of school districts; establishing provisions governing such performance audits; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law establishes the Legislative Counsel Bureau which consists of a Legislative Commission, an Interim Finance Committee, a Director, an Audit Division, a Fiscal Analysis Division, a Legal Division, a Research Division and an Administrative Division. (NRS 218F.100)

Existing law requires the Legislative Auditor, who is the chief of the Audit Division, to conduct certain audits of accounts, funds and other records of agencies of the State to determine certain information. (NRS 218F.100, 218G.200) **Section 5** of this bill requires the Legislative Auditor to conduct a performance audit of the two school districts with the largest number of enrolled pupils in this State and the State Public Charter School Authority not later than August 31, 2026, and not less than once every 4 years thereafter. **Section 5** authorizes the Legislative Auditor to evaluate certain matters as part of such a performance audit and to exercise his or her professional judgment in determining the scope and manner of work to be conducted and the objectives of each such audit. **Sections 5, 8 and 9** of this bill require the final written report of each audit to be presented to the Legislative Commission, the Interim Finance Committee or a subcommittee of the Interim Finance Committee and, under certain circumstances, the Audit Subcommittee of the Legislative Commission, by certain dates.

Section 6 of this bill authorizes the Chair of the Interim Finance Committee, not later than January 1, 2026, and every 4 years thereafter, to request that the Legislative Auditor conduct a performance audit of up to three additional school districts. **Sections 6, 8 and 9** of this bill require the final written report of each such audit to be presented to the Legislative Commission, the Interim Finance Committee or a subcommittee of the Interim Finance Committee and, under certain circumstances, the Audit Subcommittee of the Legislative Commission, by certain dates.

Section 7 of this bill requires the Legislative Auditor or the authorized representative of the Legislative Auditor to furnish a copy of the preliminary report of a performance audit to the superintendent of the respective school district or the Executive Director of the State Public Charter School Authority, as applicable. **Section 7** requires the superintendent of the respective school district or the Executive Director of the State Public Charter School Authority, as applicable, to submit to the Legislative Auditor a written statement of explanation or rebuttal concerning any findings for inclusion in the final report. **Section 8** of this bill requires the Legislative Auditor to furnish copies of the final written report to certain persons and prohibits the Legislative Auditor from disclosing the contents of an audit before it has been presented to certain legislative bodies. **Section 8** authorizes the Legislative Commission to adopt certain regulations regarding the presentation and distribution of the final written report.



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Appendix A

Excerpts From Assembly Bill 517, Chapter 454 From the 2023 Legislative Session (continued)

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Section 9 of this bill requires the Legislative Commission or Audit Subcommittee to notify the respective school district or the State Public Charter School Authority, as applicable, of its acceptance of a final written report of an audit that contains a recommendation for corrective action and requires the school district or the State Public Charter School Authority, as applicable, to submit a plan for corrective action to the Legislative Auditor. **Section 9** requires a person who submits a plan for corrective action to submit to the Legislative Auditor a report regarding the implementation of any recommendations of the Legislative Auditor.

Section 10 of this bill requires the officers and employees of a school district or the State Public Charter School Authority to provide certain assistance to the Legislative Auditor or the authorized representative of the Legislative Auditor in the inspection, examination and audit of books, accounts, records, reports or other documents. **Section 10** requires each school district or the State Public Charter School Authority to cooperate fully with the Legislative Auditor or the authorized representative of the Legislative Auditor in the performance of his or her duties with respect to a performance audit conducted pursuant to **sections 5-10** of this bill.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Sections 1-3. (Deleted by amendment.)

Sec. 4. Chapter 218G of NRS is hereby amended by adding thereto the provisions set forth as sections 5 to 10, inclusive, of this act.

Sec. 5. 1. *The Legislative Auditor shall, not later than August 31, 2026, and not less than once every 4 years thereafter, conduct a performance audit of each of the following entities:*

(a) *The school district in this State with the largest number of pupils enrolled;*

(b) *The school district in this State with the second largest number of pupils enrolled; and*

(c) *The State Public Charter School Authority.*

2. *As part of a performance audit conducted pursuant to this section, the Legislative Auditor may evaluate, without limitation:*

(a) *Compliance with statutory requirements concerning annual reports of accountability, as well as consistency, or lack thereof, in the methodology used for such reporting;*

(b) *Compliance with state or local laws relating to contracting with outside entities to provide goods or services;*

(c) *Whether any plans presented by the school district or the State Public Charter School Authority to the Legislature or the Interim Finance Committee, including, without limitation, any subcommittee of the Interim Finance Committee, have been*



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Appendix A

Excerpts From Assembly Bill 517, Chapter 454
From the 2023 Legislative Session (continued)

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implemented and whether any such plan is achieving or has achieved the desired outcome;

(d) The efficacy of any strategy or program implemented at one or more schools to:

(1) Improve the proficiency of pupils in the subject areas of reading, mathematics, science or writing;

(2) Improve the educational outcomes of pupils who are English learners, at-risk pupils or receiving special education;

(3) Improve the academic performance of pupils enrolled in a Title I school, as defined in NRS 385A.040; or

(4) Increase parental involvement and family and community engagement in public schools.

(e) The efficacy of any strategy or program of recruitment or retention designed to ensure the availability of qualified teachers and other educational personnel and support staff, including, without limitation, mental health professionals.

(f) The efficacy of any strategy or program implemented by a school district or the State Public Charter School Authority to reduce class sizes.

(g) Any other matter which the Legislative Auditor is requested to evaluate by the Interim Finance Committee.

3. The Legislative Auditor, in performing his or her duties pursuant to this section and section 6 of this act, may exercise his or her professional judgment in determining the scope and manner of work to be conducted and the objectives of each audit.

4. The Legislative Auditor shall, on or before September 1, 2026, and every 4 years thereafter, present to the Legislative Commission a final written report of each audit conducted pursuant to this section during the immediately preceding 4 years.

5. The Legislative Auditor shall present a final written report of each audit conducted pursuant to this section to the Interim Finance Committee, or the appropriate subcommittee of the Interim Finance Committee, as directed by the Chair of the Interim Finance Committee, after the report is presented to the Legislative Commission but in no event later than December 31 of the year in which the final report was presented to the Legislative Commission.

6. As used in this section, “at-risk pupil” has the meaning ascribed to it in NRS 387.1211.

Sec. 6....



82nd Session (2023)

Appendix B

Teacher Licenses Issued and Applicable Requirements

License Issued	Bachelor's Degree Required	Competency Test Required	NAC Citation
Early Childhood Education	Yes ⁽¹⁾	Yes	NAC 391.036(1)
Elementary Education	Yes ⁽¹⁾	Yes	NAC 391.036(1)
Middle or Junior High School	Yes ⁽²⁾	Yes	NAC 391.036(1) and NAC 391.111(2)(a)
Secondary or High School	Yes ⁽²⁾	Yes	NAC 391.036(1) and NAC 391.125(2)(b)
Special Education	Yes ⁽³⁾	Yes	NAC 391.036(1)
Special License:			
Nonrenewable Provisional	Yes	Yes	NAC 391.036(1)
Alternative Route to Licensure	Yes ⁽⁴⁾	Yes	NAC 391.036(1) and NAC 391.057(1)(b)(2)(b)
Secondary Career and Technical Education	Yes ⁽⁴⁾	Yes	NAC 391.036(1) and NAC 391.125(2)(b)
Business and Industry	Varies ⁽⁷⁾	Yes ⁽⁵⁾	NAC 391.036(1)
Business and Industry Substitute	Varies ⁽⁷⁾	No	NAC 391.436(6)
General Substitute	No ⁽⁶⁾	No	NAC 391.0897(7)
Emergency Substitute	No ⁽⁸⁾	No	NAC 391.0896(1)

Source: Nevada Revised Statutes Chapter 391 and Nevada Administrative Code Chapter 391.

⁽¹⁾ Educational requirements include completion of program preparation to teach age-specific pupils as established by the Commission on Professional Standards.

⁽²⁾ Educational requirements include completion of program preparation to teach age-specific pupils as established by the Commission on Professional Standards. Licensees must also complete coursework that qualifies them for a major or minor in their teaching area.

⁽³⁾ Licensee must also satisfy the educational requirements of the specific area of endorsement they are seeking in special education.

⁽⁴⁾ Licensee must hold a major or minor in the specific area of desired licensure.

⁽⁵⁾ Exception to Business and Industry Competency Testing for a Military Science Instructor per NAC 391.425(2)(b)(2).

⁽⁶⁾ Licensure as a substitute only requires 60 semester hours or an associate degree.

⁽⁷⁾ Business and Industry licenses generally require a high school diploma, 2 years or 4,000 hours of work experience in the field, and a professional license if one is required in the field.

⁽⁸⁾ Licensee must earn a high school diploma or its equivalent.

Appendix C

Audit Methodology

To gain an understanding of the efficacy of any strategy or program to reduce and monitor class sizes and any program for recruitment and retention to ensure the availability of qualified teachers, other educational personnel, and other support staff, we interviewed staff at both SPCSA and select charter schools, other state charter authorities, reviewed state and federal laws, regulations, and policies and procedures significant to SPCSA's operations. We also reviewed financial information, prior audit reports, legislative committee minutes, and other information describing SPCSA's activities. In addition, we documented and assessed SPCSA's controls related to class-size requirements and recruitment and retention activities.

Our audit included a review of SPCSA's internal controls significant to our audit objectives. Internal control is a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved. Internal control comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity. The scope of our work on controls related to the monitoring of class sizes and any programs for recruitment and retention to ensure the availability of qualified staff from July 1, 2021, through June 30, 2024, included the following:

- Exercise oversight responsibility; establish structure, responsibility, and authority; and evaluate performance and enforce accountability (Control Environment);
- Identify, analyze, and respond to risks (Risk Assessment);
- Design control activities; and implement control activities through policy (Control Activities);

- Use quality information; and communicate externally (Information and Communication); and
- Perform monitoring activities; evaluate issues and remediate deficiencies (Monitoring).

Deficiencies and related recommendations to strengthen SPCSA's internal control systems are discussed in the body of this report. The design, implementation, and ongoing compliance with internal controls is the responsibility of agency management.

To obtain insight into class-size reduction and monitoring, we first reviewed the role of SPCSA and the applicability of state law and regulation requirements for class-size reduction. We determined the charter schools authorized by SPCSA are exempt from specific class-size ratios, as defined in state law.

To gain an understanding of the application process for new charter schools, as it relates to class sizes, recruitment and retention, and staffing plans, we looked at how charter schools' applications are evaluated in these areas. We examined the various oversight and monitoring tools utilized by SPCSA, such as the 2023 application guidance, application template, contract template, and the rubric used to assist evaluators in their assessment of charter applications and site evaluations. We looked at all available versions of these tools for the scope period. Additionally, we determined if there were any best practices centered around these three areas through discussions with national authorizers and other national organizations for charter schools. We held discussions with SPCSA management to determine their process for assessing and approving the related elements in the application. We reviewed state and federal laws and regulations and related state boards with oversight authority on qualifications for various staff at charter schools. In addition, we reviewed the laws of five states' charter school authorizers and held discussions with management at those entities. The five states were selected judgmentally based on their similarity to Nevada charter school laws.

To assess SPCSA's role in monitoring class sizes, total enrollment, and staffing activities, we sampled charter schools

authorized by SPCSA. We used the 2022-23 District School Ratings report to determine the population of schools. We further narrowed the list by verifying if the school was open during the period under review, when it opened, and the geographic area. To understand class sizes, we took a judgmental sample of 15 schools to include 5 schools in northern Nevada and 10 in southern Nevada. In addition to geographic area, we selected five of each of the following categories: 4- and 5-star schools, Title I schools, and 1- and 2-star schools. For the sample schools, we reviewed their application for planned class sizes and compared that to actual class sizes. Further, we held discussions with SPCSA management and the schools regarding communication of changes in class size related to the school's application.

To examine SPCSA's monitoring of total enrollment, we obtained a copy of SPCSA's school year 2023-24 annual enrollment monitoring worksheet. We verified the calculation provided by SPCSA for the sample schools on validation day and independently calculated the total population's variation between their actual validation day enrollment and contracted enrollment. We then obtained copies of four monthly reports used by SPCSA for unofficially monitoring enrollment for budgetary purposes and compared them to the enrollment cap and floor for each charter school.

To gain an understanding of SPCSA's monitoring of staffing activities at charter schools, we reviewed the staff report and self-certification forms submitted by charter schools. We compared the staff report from the school to the staff report submitted to SPCSA and judgmentally selected five schools that appeared in both reports. The schools were part of a wider selection completed when reviewing vacancy reports. We analyzed the staff report submitted to SPCSA for the sample to determine proper classification of core content teachers and classrooms.

Furthermore, we used the sample of 15 schools noted above for class-size monitoring and reviewed the self-certification forms submitted by the schools for the 2022-23 reporting period. These were reviewed for instances of noncompliance. We reviewed

documents and had discussions with SPCSA management to determine if action was taken regarding any noncompliance.

To gain an understanding of charter school teacher qualifications, we reviewed state and federal laws and regulations, best practices, SPCSA's organizational performance framework, and interviewed SPCSA management and Nevada Department of Education leadership. We selected a judgmental sample of 29 schools. The schools were selected based on many factors, including low or high star ratings, Title I status, and vacancy rates. Using the 2023-24 school year staff report, we examined licensure for each teacher identified on the reports against the NDE OPAL (Online Portal for Application and Licensure) database for teacher licensure for the October 2023 timeframe. We documented license type, applicable endorsements, and active dates compared to the listing of teaching assignments and grade levels contained in the report. Additionally, we used a compilation of the entire report to determine an average substitute teacher rate based on the testing of the 29 schools and submissions from the charter schools identifying substitutes.

We used nonstatistical sampling for our audit work, which was the most appropriate and cost-effective method for concluding on our audit objectives. Based on our professional judgement, review of authoritative sampling guidance, and careful consideration of underlying statistical concepts, we believe that nonstatistical sampling provided sufficient, appropriate audit evidence to support the conclusions in our report.

Our audit work was conducted from August 2023 to June 2026. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In accordance with NRS 218G.610, we furnished a copy of our preliminary report to the Executive Director of SPCSA. On July

14, 2026, we met with agency officials to discuss the results of the audit and requested a written response to the preliminary report. That response is contained in Appendix D, which begins on page 36.

Contributors to this report included:

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Appendix D

Response From State Public Charter School Authority

Joe Lombardo
Governor

STATE OF NEVADA

Melissa Mackendon
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

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July 17, 2026

Daniel L. Crossman
Legislative Auditor
Nevada Legislative Counsel Bureau – Audit Division
401 S. Carson Street
Carson City, NV 89701-4747

RE: Class Sizes and Recruitment and Retention Performance Audit

Dear Mr. Crossman:

Thank you for the opportunity to respond to the audit report “Class Sizes and Recruitment and Retention”, performed by the Nevada Legislative Counsel Bureau (LCB) Audit Division pursuant to [NRS 218G.600](#) *et seq.* The Nevada State Public Charter School Authority (SPCSA) appreciates the time and attention the LCB devoted to reviewing compliance with statutory requirements relating to the evaluation and monitoring of Class Sizes and Recruitment and Retention.

As both the charter school authorizer and the Local Education Agency (LEA) for its sponsored schools, the SPCSA must carefully balance its oversight responsibilities with the operational autonomy afforded to charter schools under Nevada law. As an authorizer, the SPCSA establishes clear performance expectations and holds schools accountable for meeting academic, financial, and organizational standards. Charter schools, however, retain certain autonomy to determine how best to achieve those outcomes.

Accordingly, the SPCSA's role is not to direct or manage school operations, but to monitor whether schools have the capacity to meet their obligations to students while remaining fiscally sound and compliant with applicable laws and regulations. This distinction is particularly important when evaluating issues such as class size and recruitment and retention, where schools must balance educational priorities with available resources. The SPCSA seeks to preserve the flexibility that is central to the charter school model while ensuring that public funds are managed responsibly and that schools remain accountable for delivering high-quality educational outcomes.

The SPCSA generally agrees with and accepts all recommendations contained in the report and appreciates the opportunity to further strengthen our processes and controls. Below, you will find the SPCSA response to each recommendation, along with the status of the changes being implemented, either presently or in the near future.

Recommendation 1: Develop specific guidance and criteria for assessing the reasonableness of proposed class sizes in the charter application and use best practices to assist with the assessment when available.

SPCSA staff accepts this recommendation and will implement it as part of the next new charter application cycle. The new charter application rubric and guidance will be updated to include recommended class size ratios in line with best practice and Nevada standards. These will be included in both the guidance for applications as well as the rubric for reviewers to consider in their evaluations.

Recommendation 2: Develop criteria for assessing the reasonableness of proposed recruitment and retention plans and the applicant's ability to fill proposed staffing plans.

SPCSA staff accepts this recommendation and will implement it as part of the next new charter application cycle. The new charter application evaluation rubric will be revised to explicitly include consideration of the reasonableness of each applicant's recruitment and retention plan.

Recommendation 3: Enhance application evaluation tools to include criteria for evaluating an applicant's ability to comply with state and federal laws regarding staffing requirements and qualifications.

SPCSA staff accepts this recommendation and will implement it as part of the next new charter application cycle. The new charter application guidance and evaluation rubric will be updated to require applicants to identify the minimum qualifications for teaching and other professional staff, including applicable education, licensure, and certification requirements, and to describe how proposed staffing plans will comply with applicable state and federal laws. The evaluation rubric will also be revised to include criteria assessing the reasonableness and completeness of the applicant's staffing plan and its alignment with statutory and regulatory requirements.

Recommendation 4: Ensure applications specifically disclose the minimum qualifications of teaching and other professional staff the school intends to hire, such as educational level and licensing.

SPCSA staff accepts this recommendation and will implement it as part of the next new charter application cycle. The new charter application guidance and evaluation rubric will be updated to require applicants to identify the minimum qualifications for teaching and other professional staff, including applicable education, licensure, and certification requirements, and to describe how proposed staffing plans will comply with applicable state and federal laws. The evaluation rubric will also be revised to include criteria assessing the reasonableness and completeness of the applicant's staffing plan and its alignment with statutory and regulatory requirements.

Regarding ongoing monitoring of class size, the SPCSA believes several important statutory and contractual distinctions should be considered. While projected class sizes are included as part of a new charter school application, the charter contract establishes an approved enrollment cap rather than specific class size ratios. The charter contract also provides charter schools with the

flexibility to modify, amend, adapt, or otherwise adjust their educational program, as necessary, to achieve the performance standards established in the contract, provided such changes remain consistent with the approved application. NRS 388A and NAC 388A identify specific material changes that require approval by both the charter school's governing board and the SPCSA Board through a charter contract amendment. Adjustments to class size are not identified among those required amendments.

Additionally, charter schools are not subject to the class size reporting and variance approval process established in NRS 388.700. They are, however, required to report class size data as part of the statewide accountability reporting requirements established in NRS 385A.210. This distinction recognizes that, while charter schools are expected to be transparent and accountable for their instructional programs, they are afforded flexibility in determining how to organize classrooms to meet student needs.

The SPCSA believes it is appropriate for charter schools to retain the ability to adjust class size in response to actual enrollment, particularly given that enrollment often differs from projections developed during the application process. At the same time, the SPCSA recognizes its responsibility to ensure that such adjustments do not adversely affect educational quality. Accordingly, the SPCSA can strengthen its monitoring practices by establishing a formal process to review reported class size data and by using the class size expectations reflected in Nevada law and regulation as oversight benchmarks, while preserving the operational autonomy that is fundamental to the charter school model.

Recommendation 5: Define what constitutes a material change to the class sizes approved in the charter contract and communicate this to charter holders.

The SPCSA accepts this recommendation and will develop formal policies and procedures for monitoring class size data reported through the statewide accountability reporting requirements. As part of this process, the SPCSA will compare reported class sizes against the recommended ratios established in NRS and NAC. Where concerns are identified, the SPCSA will evaluate class size data in the broader context of the school's academic, organizational, and financial performance to determine whether additional monitoring or engagement is appropriate. These policies and procedures will be communicated to the charter holders to ensure transparency.

Recommendation 6: Develop policies and procedures to monitor class sizes when they are materially different from the sizes indicated in the application.

The SPCSA accepts this recommendation and will develop formal policies and procedures for monitoring class size data reported through the statewide accountability reporting requirements. As part of this process, the SPCSA will compare reported class sizes against the recommended ratios established in NRS and NAC. Where concerns are identified, the SPCSA will evaluate class size data in the broader context of the school's academic, organizational, and financial performance to determine whether additional monitoring or engagement is appropriate. These policies and procedures will be communicated to the charter holders to ensure transparency.

Recommendation 7: Define in policy the calculation of charter schools' contractual enrollment cap, including how prekindergarten affects the enrollment cap.

The SPCSA accepts this recommendation and will formally document its existing process for monitoring compliance with charter school enrollment caps. The policy will describe the use of the validated October 1 enrollment count to determine compliance with each school's approved enrollment cap. The policy will also reflect existing guidance that clarifies the treatment of pre-kindergarten enrollment, which has already been incorporated into the SPCSA's charter contract template and the pre-kindergarten resource manual developed for schools that operate, or intend to operate, pre-kindergarten programs.

Recommendation 8: Develop policies and procedures for periodic monitoring of enrollment thresholds through the school year and progressive follow-up and enforcement based on the level of noncompliance with the thresholds, including notification requirements.

The SPCSA accepts this recommendation and will establish formal policies and procedures for the periodic monitoring of charter school enrollment throughout the school year. The monitoring framework will balance adherence to each school's approved charter contract with the recognition that modifying an enrollment cap requires a formal charter amendment process. Particular attention will be given to schools whose enrollment exceeds their approved enrollment cap, which may require corrective action or initiation of the charter amendment process.

Recommendation 9: Enhance the review of the annual staff reports to ensure accuracy of the charter schools' reporting.

The SPCSA accepts this recommendation and considers it implemented. Beginning in the fall of 2024 with the 2024–25 report, the content, scope, and review process for the educator licensure report were significantly enhanced to improve the accuracy of the information provided. The SPCSA has continued to refine these processes based on implementation experience and ongoing collaboration with schools. The SPCSA recognizes that questions continue to arise regarding appropriate licensure for certain instructional assignments, particularly for courses that do not clearly align with existing licensure endorsement areas. The SPCSA will continue to work collaboratively with the Nevada Department of Education (NDE) to resolve these questions and provide clear guidance to sponsored charter schools as needed.

Recommendation 10: Ensure the organizational performance framework aligns with statutory requirements for licensure.

The SPCSA accepts this recommendation and considers it implemented. In fall 2024, the SPCSA revised the Organizational Performance Framework (OPF) to strengthen its evaluation of charter school compliance with educator licensure requirements. The revised framework includes explicit criteria addressing licensure requirements for staff providing services to English learners and students with disabilities.

SPCSA staff would also like to provide additional context regarding educator licensure and staffing challenges within charter schools, particularly during the 2023–24 school year. As the Legislature is aware, Nevada, like many states across the nation, has experienced ongoing educator workforce challenges following the COVID-19 pandemic. These challenges have affected both school districts and charter schools, with many public schools experiencing increased vacancy rates and greater reliance on short- and long-term substitute educators.

In response to these statewide challenges, the Legislature approved Senate Bill (SB) 231 (2023), which allocated \$250 million to school districts to support teacher compensation increases. While charter schools experienced similar staffing challenges, they were not included in the funding allocation provided through SB 231. As a result, charter schools faced additional challenges when hiring teachers during the 2023–24 school year, primarily due to being unable to offer competitive compensation packages.

The Legislature subsequently addressed this disparity through Assembly Bill (AB) 398 (2025), which provided funding to support teacher compensation increases for charter schools. Early implementation of this investment has contributed to improvements in educator vacancy rates and reductions in reliance on substitute educators, as reflected in the data provided below.

School Year 2024-25

Substitute Percentage Category	Number Schools	Percentage Schools
0-20%	24	32.4%
21-40%	27	36.5%
41-60%	16	21.6%
61-80%	4	5.4%
81-100%	3	4.05%
	74	100%

School Year 2025-26

Substitute Percentage Category	Number Schools	Percentage Schools
0-20%	36	42.3%
21-40%	28	33.3%
41-60%	15	17.8%
61-80%	3	3.6%
81-100%	2	2.3%
	84	100%

The educator workforce shortage remains a statewide and national challenge. The SPCSA appreciates the continued investments made by the Governor and Legislature to support educator recruitment and retention and recognizes that sustained investment will be an important component of strengthening the educator workforce across all of Nevada’s public schools.

Recommendation 11: Perform a review of applicant’s initial recruitment plan to ensure they express a feasible method for recruiting highly qualified teachers.

The SPCSA accepts this recommendation and will address it through the implementation plan developed in response to Recommendations 2, 3, and 4. The SPCSA will ensure that the actions associated with those recommendations collectively address the requirements outlined in this recommendation.

Recommendation 12: Continue to monitor teacher licensure at charter schools for compliance with laws and regulations.

The SPCSA accepts this recommendation and considers it implemented. As outlined in the SPCSA's response to Recommendation 9, the SPCSA has enhanced its review process for the All Staff Report to strengthen oversight of educator staffing and licensure requirements. The SPCSA will continue to refine and improve this review process as needed to support accurate reporting, and alignment with applicable state and federal requirements.

Per [NRS 218G.620](#), within 60 days of notification by the Legislative Commission or the Audit Subcommittee of the final written report of the audit, the SPCSA will provide to the Legislative Auditor a detailed plan outlining any specific actions, updates, and timelines for addressing the recommendations.

Sincerely,



Melissa Machedon
Executive Director, Nevada State Public Charter School Authority

State Public Charter School Authority's Response to Audit Recommendations

<u>Recommendations</u>	<u>Accepted</u>	<u>Rejected</u>
1. Develop specific guidance and criteria for assessing the reasonableness of proposed class sizes in the charter application and use best practices to assist with the assessment when available.....	<u>X</u>	<u> </u>
2. Develop criteria for assessing the reasonableness of proposed recruitment and retention plans and the applicant's ability to fill proposed staffing plans	<u>X</u>	<u> </u>
3. Enhance application evaluation tools to include criteria for evaluating an applicant's ability to comply with state and federal laws regarding staffing requirements and qualifications	<u>X</u>	<u> </u>
4. Ensure applications specifically disclose the minimum qualifications of teaching and other professional staff the school intends to hire, such as education level and licensing	<u>X</u>	<u> </u>
5. Define what constitutes a material change to the class sizes approved in the charter contract and communicate this to charter holders	<u>X</u>	<u> </u>
6. Develop policies and procedures to monitor class sizes when they are materially different from the sizes indicated in the application	<u>X</u>	<u> </u>
7. Define in policy the calculation of charter schools' contractual enrollment cap, including how prekindergarten affects the enrollment cap	<u>X</u>	<u> </u>
8. Develop policies and procedures for periodic monitoring of enrollment thresholds through the school year and progressive follow-up and enforcement based on the level of noncompliance with the thresholds, including notification requirements	<u>X</u>	<u> </u>
9. Enhance the review of the annual staff reports to ensure accuracy of the charter schools' reporting	<u>X</u>	<u> </u>
10. Ensure the organizational performance framework aligns with statutory requirements for licensure	<u>X</u>	<u> </u>
11. Perform a review of applicants' initial recruitment plans to ensure they express a feasible method for recruiting highly qualified teachers	<u>X</u>	<u> </u>
12. Continue to monitor teacher licensure at charter schools for compliance with laws and regulations	<u>X</u>	<u> </u>
TOTALS	<u>12</u>	<u> </u>