

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)