



State of Nevada  
Governor's Finance Office  
Division of Internal Audits

**Audit Report**  
**Executive Order 2023-005**

**Review of Nevada's**  
**17 Public School Districts and the**  
**State Public Charter School Authority**

\*\*\*\*\*

Report to the Governor  
and the Director, Governor's Finance Office

\*\*\*\*

Sufficient information is mostly available to reasonably evaluate the efficacy, efficiency, and fiscal responsibility of each school district and public charter school; however, a more integrated oversight process will help monitor spending and outcomes as well as identify and manage accountability gaps.

DIA EO 2023-005  
December 29, 2023



**EXECUTIVE SUMMARY**  
**Executive Order 2023-005**  
**Review of Nevada’s 17 School Districts and**  
**State Public Charter School Authority**

**Introduction** .....page 1

---

**Assess Sufficiency of Existing Audit and Reporting Tools for**  
**Public School Accountability**

---

**Chapter 1: Current State of Accountability** .....page 2

Extensive data to assess public school accountability is available at <http://nevadareportcard.nv.gov>. The state is increasing investment in public education by \$2.6 billion over previous biennium funding. The Pupil-Centered Funding Plan (PCFP) combines funding into the State Education Fund. PCFP and other sources are included in total funding to public schools, which tops over \$6 billion in fiscal year 2024 and over \$6.3 billion in fiscal year 2025.

Efforts to monitor spending and achievement are not coordinated. The state’s Acing Accountability Initiative opens a data-driven discussion, and the Superintendent of Public Instruction is required to establish performance metrics. The performance metrics are intended to measure progress on meeting academic achievement expectations.

The Commission on School Funding established by NRS is empowered to collect and report on performance metrics. Elementary school literacy progress is a key component of the Commission’s reporting. Commission recommendations are meant to guide state, school district, and charter school efforts. Staff support for the Commission falls to the Nevada Department of Education (NDE).

The Legislature has taken action to enhance oversight of education funding and achievement. The Interim Finance Committee Education Accountability Subcommittee was established to address accountability in public education and improve educational achievements and outcomes for students. The Commission on Innovation and Excellence in Education was established and empowered to develop a statewide vision and plan to improve the public education system. The Legislative Auditor was authorized additional staff and empowered to audit school districts, beginning with the two largest, Clark and Washoe Counties.

Focusing policy and improvement efforts on critical performance elements, specifically reading and mathematics achievement, will provide a solid foundation for individual learning. Priorities will help guide investment decisions. Extensive reporting requirements resulting from expanded oversight efforts will add to NDE’s workload. NDE and the State Public Charter School Authority (SPCSA) may not be sufficiently staffed to meet the reporting requirements.

The Superintendent of Public Instruction is statutorily responsible for PK-12 oversight but has no enforcement mechanism to compel non-compliant school districts or charter schools to abide by laws and guidelines. Proportional intervention tools are necessary to affect change. Policies in other states to support chronically low-performing schools range from developing and monitoring

improvement plans, to closing schools, or changing their governance structure. It is important to start a policy conversation to improve underperforming schools.

Recommendations to improve the current state of public school accountability:

- 1.1. Consider legislation to establish a single unified statewide system of accountability and support within the PK-12 public education system to recommend data-driven policy solutions. (Governor and Legislature)
- 1.2. Focus policy and improvement efforts on critical performance elements. (Stakeholders)
- 1.3. Consider legislation to provide the Nevada Department of Education with more robust intervention tools to support chronically low-performing schools. (Governor and Legislature)
- 1.4. Identify and prioritize areas where additional resources would support implementation of accountability, oversight, and technical assistance roles. (Nevada Department of Education)

**Chapter 2: Profiles, Performance, and Accountability** .....page 24

Accountability for Nevada’s investment in public education can be improved by using profile and performance data to inform funding decisions and align priorities and resources. The data will help education leaders refine investment opportunities and ensure achievement gaps are being addressed. Functional spending differs between urban and rural school districts and there is no discernable pattern in actual spending between instruction and support services in public schools. Overall staff ratios in school districts are relatively consistent. Charter school staff ratios vary significantly.

There are opportunities for enhanced efficiencies and effectiveness in public school operations. A shared services model may provide efficiencies for small rural school districts. More research is necessary to move a shared services model forward.

Teacher compensation varies across the state. Clark County School District (CCSD) beginning teacher compensation and maximum teacher compensation is competitive with comparable districts across the country. Washoe County School District (WCSD) beginning teacher compensation and maximum teacher compensation is less competitive with comparable districts across the country.

Student Achievement is not necessarily dependent on the amount of dollars spent. The National Assessment of Education Progress (NAEP), the Nation’s Report Card, provides insight into investments and outcomes. CCSD student achievement compares favorably to districts of similar size even though CCSD invested the least amount of dollars per student in comparison. CCSD, in general, ranked second highest of the comparable school districts. Graduation rates mostly align with investments although school ranking is not necessarily a predictor of graduation rates. Class size matters for both teachers and students. Both CCSD and WCSD have higher student-teacher ratios than the national average. Many factors affect student achievement.

Recommendation to improve education accountability:

- 2.1. Use profile and performance data to inform funding decisions. (Nevada Department of Education, State Public Charter School Authority, School Districts, and Charter Schools)

**Chapter 3: Fiscal Accountability** .....page 61

The current state of public school fiscal accountability can be improved by complying with statutes requiring the reporting of financial data and performing of audits, which stress transparency and equitability of public education funds.

Three quarters of school districts did not comply with quarterly expenditure reporting requirements. Failure to comply with this statute limits transparency for the public and inhibits accountability for tax dollars designated to support public education in the state. Expanding the reporting platforms will result in improved transparency and accountability of expenditures.

Reporting financial information that does not tie to audited financial statements limits confidence in the information being reported. Using accurate reports enables decision makers to have appropriate information when considering budget enhancements. Procedures ensuring the accurate transmission of financial data will result in increased transparency and accountability.

The requirement to revert excess funds prevents school districts from amassing large ending fund balances, which is the intent of the legislation creating the PCFP. Using PCFP fund allocations on current education expenses will enable school districts to focus spending on improving academic outcomes for today's students.

Charter schools do not present financial statements in the same format limiting comparability. The Charter School Audit Guide needs to be updated to provide a uniform approach to the financial statement formats and related notes.

Current sampling for statutory pupil count audits results in smaller school districts being held to a higher standard of accountability. A representative, statistically based sample can achieve the same level of enrollment confidence with fewer records being reviewed. Statistical sampling would also allow for extrapolation of results to the entire population of the audited entity creating a uniform standard for enrollment audit accountability.

Recommendations to improve fiscal accountability:

- 3.1. Comply with statute for public reporting requirements. (School Districts and Nevada Department of Education)
- 3.2. Update statute to expand acceptable public notice platforms. (Nevada Department of Education)
- 3.3. Reconcile financial reports. (School Districts, Charter Schools, and Nevada Department of Education)
- 3.4. Study the impact of requiring charter schools to revert excess funds to the Education Stabilization Account as school districts are required to do. (Nevada Department of Education)
- 3.5. Clarify requirements in the Charter School Audit Guide for financial statement preparation. (Nevada Department of Education)
- 3.6. Apply statistical sampling and, if determined allowable and applicable, extrapolation methodologies to pupil count process and assess the impact of extrapolation. (Nevada Department of Education)
- 3.7. Request a bill draft to change the due date for the submission of the 387 Reports for school districts and charter schools (NRS 387.303 and NRS 388A.345) and the due date for compilation and submission of the 387 Report to the Office of Finance and the Legislative Counsel Bureau. (Nevada Department of Education)

**Chapter 4: Instructional Accountability**.....page 85

Instructional accountability goals can improve student achievement. Nevada's Read by Grade 3 (RBG3) program should adhere to the statutory intent for program guidelines. Third grade reading proficiency is the greatest predictor of future academic success. Nevada passed RBG3 legislation in 2015 and the program has evolved since, to include more specific retention and monitoring guidelines. Some students are at risk of being retained in the third grade, although multiple good

cause exemptions may apply that mitigate the risk. Monitoring plans are required for students performing below grade level and NDE is tasked with reviewing literacy plans to achieve the grade level reading proficiency goal for all students. While literacy specialists are required in each elementary school, teacher shortages impact the ability to meet this requirement.

There are multiple assessments used to evaluate RBG3 effectiveness. The Nevada State Board of Education approved two evidence-based assessments for K-3 students in 2016. The Brigance Early Childhood Screen III assesses kindergarten entry readiness and measures reading preparedness. The Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP) is used to evaluate student reading proficiency in grades 1-3. The Smarter Balanced Assessment Consortium (SBAC) tool is used to monitor progress in grades 4-5 with scores used to identify students who qualify for additional services to achieve grade level reading skills.

The adequacy of Nevada's RBG3 goal should be reviewed to ensure it aligns with other states and prioritizes the skills necessary to assist students throughout their academic careers. NDE prioritizes a student's individualized reading growth with the goal for students to improve annually if not reading at grade level. The State Board of Education established a reading level for a student to qualify for intensive instruction. The Acing Accountability Initiative set a grade level reading target. NDE reports the goal is for 43.3% of third graders to read at grade level in 2025 which is significantly lower than other states.

The RBG3 program is underperforming statewide. School district RBG3 scores are lower than the state goal and have declined since the 2018-2019 school year. The COVID-19 Pandemic continues to impact student learning. Underperforming school districts have not made major improvements. Charter school RBG3 scores are higher than school district scores but have also declined since the 2018-2019 school year. Statute needs updating to allow NDE to hire literacy specialists to coordinate RBG3 efforts and train licensed teachers performing literacy specialist roles in individual schools.

The US Department of Education (DOE) has determined the Nevada Individuals with Disabilities Education Act (IDEA) program "Needs Assistance" for the last three years. NDE's strategy to improve program results using technical assistance has not been revised despite the repeated "Needs Assistance" determinations by DOE. Failure to improve the program could result in DOE imposing more restrictive measures to include directing the use of state funds to specific areas. Charter schools have a lower but growing enrollment of students with Individualized Education Plans (IEPs). In the 2021-2022 school year, the charter school average student population with IEPs was 10.89% compared to the statewide average of 13.71%. The NRS requirement for a lottery to be used to fill open seats when there are more applicants than seats available partially explains the discrepancy. The SPCSA continues to work towards student enrollment reflective of the statewide average.

Recommendations to improve instructional accountability:

- 4.1. Adhere to statutory intent for Read by Grade 3 implementation guidelines. (Nevada Department of Education)
- 4.2. Evaluate the adequacy of the Read by Grade 3 goal. (Nevada Department of Education)
- 4.3. Ensure all school districts comply with Read by Grade 3 reporting requirements. (Nevada Department of Education)
- 4.4. Update statute to allow NDE to hire literacy specialists to coordinate Read by Grade 3 efforts and train at school-level. (Nevada Department of Education)
- 4.5. Revise the strategy for implementing an effective Individuals with Disabilities Education Act program. (Nevada Department of Education)

Support services accountability can be improved by expanding participation in the Community Eligibility Provision (CEP) of the National School Lunch Program and School Breakfast Program and by improving support services training and reporting. Federal funds are available to cover the cost of student meals served in Nevada schools that participate in CEP without the need to collect individual meal applications. CEP eligibility is determined by a school's Identified Student Percentage (ISP) which represents the percentage of students at a school who are directly certified to receive free meals due to their participation in government assistance programs. Schools with a higher ISP receive a larger federal reimbursement.

Participating in CEP reduces paperwork and costs associated with administering school meals. Participating in CEP maximizes federal meal reimbursements and makes meals free for students; however, if a school's ISP is not sufficiently high enough (62.5%) then the school is responsible for a portion of the actual cost of meals served. The USDA allows grouping of multiple schools to maximize the ISPs for the purpose of jointly qualifying for CEP. Clark County School District grouped schools to qualify all schools for CEP and reports that the district has a high enough average ISP to receive enough federal reimbursement funds to cover the actual cost of the meals served district-wide.

Approximately 25% of public schools in Nevada do not participate in CEP. The ISP threshold was lowered from 40% to 25% in October 2023, meaning more Nevada public schools likely qualify for CEP. Decision makers at the district and school level can conduct a cost-benefit analysis of participating in CEP and consider options now for funding school meals during the 2024-2025 school year when state-directed ARPA funds allowing all students access to free meals are no longer available. Access to school meals at no cost to students has been shown to reduce child food insecurity, eliminate social stigma associated with free meals, and benefit families most in need. Schools and families can help maximize federal meal reimbursements by participating in CEP and qualifying students for free or reduced-price meals in schools not yet participating in CEP. Qualifying schools for CEP and families for free school meals will ensure the most at-risk students who have been receiving free meals through state and federal subsidies continue to do so when funding ends.

The Nevada Department of Agriculture (NDA) Administrative Reviews of Food Operations highlight significant areas for improvement in support services training and reporting. The frequency of food service training violations, particularly during the COVID-19 Pandemic, underscores the importance of compliance with training requirements and emphasizes the urgency of adapting training methods to accommodate unforeseen circumstances. The prevalence of menu records and nutrition violations further emphasizes the need for support staff training.

Noncompliance with federal meal patterns poses a significant risk to school meal funding, with potential consequences ranging from loss of reimbursement to financial penalties and ineligibility for federal meal programs. The NDA Administrative Review process has proven effective in correcting identified violations but a more proactive approach through enhanced training can help prevent noncompliance. Enhanced training will ensure high standards in food handling, temperature monitoring, and cleanliness, while reducing the likelihood of safety violations.

Recommendations to improve support services accountability:

- 5.1. Expand participation in the Community Eligibility Provision of the National School Lunch Program and School Breakfast Program. (Nevada Department of Agriculture)
- 5.2. Improve support services training and reporting. (Nevada Department of Agriculture)

---

<b>Appendix A</b> .....	page 126
Scope, Methodology, and Acknowledgments	
<b>Appendix B</b> .....	page 127
Response and Implementation Plans	
<b>Appendix C</b> .....	page 141
Time Frame for Implementing Audit Recommendations	
<b>Appendix D</b> .....	page 144
Executive Order 2023-005	

---



---

---

# INTRODUCTION

---

---

At the direction of Executive Order 2023-005, the Division of Internal Audits (DIA) conducted an audit of Nevada’s 17 Public School Districts and the State Public Charter School Authority. The audit focused on a review of the external, third-party audits prepared on behalf of each school district and each public charter school and considered the scope of the audits, their application of Generally Accepted Accounting Principles, any findings and corrective action plans, and the extent to which they provide information sufficient to reasonably evaluate the efficacy, efficiency, and fiscal responsibility of each school district and each public charter school. The audit’s scope, methodology, and acknowledgments are included in Appendix A.

DIA’s audit objective was to develop recommendations to:

- ✓ Assess sufficiency of existing audit and reporting tools for public school accountability.

## **Nevada Department of Education, State Public Charter School Authority, and Nevada Department of Agriculture Responses and Implementation Plans**

DIA provided draft copies of this report to the Nevada Department of Education, State Public Charter School Authority, and the Nevada Department of Agriculture. DIA considered their comments in the preparation of this report; their responses are included in Appendix B. In their responses, they accepted the recommendations and offered comments on specific issues and impacts to their agencies. Appendix C includes a time frame to implement the recommendations.

The following report (DIA EO 2023-005) contains the audit’s *observations, findings, conclusions, and recommendations*.

---

---

# Chapter 1

## Current State of Accountability

---

---

The current state of public school accountability in Nevada can be improved. Responsibility for oversight of PK-12 education is fragmented and could benefit from a more unified approach. The Governor, Legislature, Nevada Department of Education (NDE), and the State Public Charter School Authority (SPCSA) should work with districts and charter schools to enhance the effectiveness of existing and upcoming audit and reporting tools by:

- 1.1. *Considering legislation to establish a single unified statewide system of accountability and support within the PK-12 public education system to recommend data-driven policy solutions.*

A single unified statewide system of accountability and support within the PK-12 public education system will increase oversight and transparency of educational spending and outcomes. Increased accountability and support will help assure the public's confidence that public school investments are appropriately targeted to address achievement gaps and improve outcomes for Nevada students.

- 1.2. *Focusing policy and improvement efforts on critical performance elements.*

A more focused policy and improvement effort will help target resources to critical achievement gaps in reading and mathematics to set conditions for academic success throughout the student's public school experience.

- 1.3. *Considering legislation to provide the Nevada Department of Education with more robust intervention tools to support chronically low-performing schools.*

More robust intervention tools to support chronically low-performing schools will help state education professionals to more timely intervene and assist school districts and charter schools improve achievement outcomes.

- 1.4. *Identifying and prioritizing areas where additional resources would support implementation of accountability, oversight, and technical assistance roles.*

Prioritizing areas where additional resources would support NDE's role in implementing accountability, oversight, and technical assistance will help ensure NDE has sufficient budget authority to perform as envisioned by the Governor and Legislature.

## **Extensive Data Available**

Much information is available on NDE's Nevada Accountability Portal. The portal is accessed through the website (<http://nevadareportcard.nv.gov>) and allows a user to view a wide range of data at the state, district, and school levels. The availability of information does not of itself link to better policy. Effectively and efficiently monitoring the state's additional \$2.6 billion investment in education will be key to establishing accountability for the results stakeholders expect to achieve.<sup>1</sup>

## **\$2.6 Billion Increase Over Previous Biennium Funding**

Nevada's historic investment in public education was recommended by Governor Lombardo, approved by the 82<sup>nd</sup> Legislature (2023), and is a \$2.6 billion increase in funding over the previous biennium. The investment increases the base per pupil amount and fully funds the weights of the Pupil-Centered Funding Plan (PCFP), bolstering per pupil funding by over \$4,000 for English language learners, \$3,000 for at-risk students, and \$1,000 for gifted and talented students. The investment allocates an additional \$23 million in special education funding for the biennium.

The investment is best illustrated in the increase in per pupil funding as calculated in the legislatively approved per pupil amount. The per pupil amount is the amount of funding to school districts and charter schools to support educating Nevada's students.

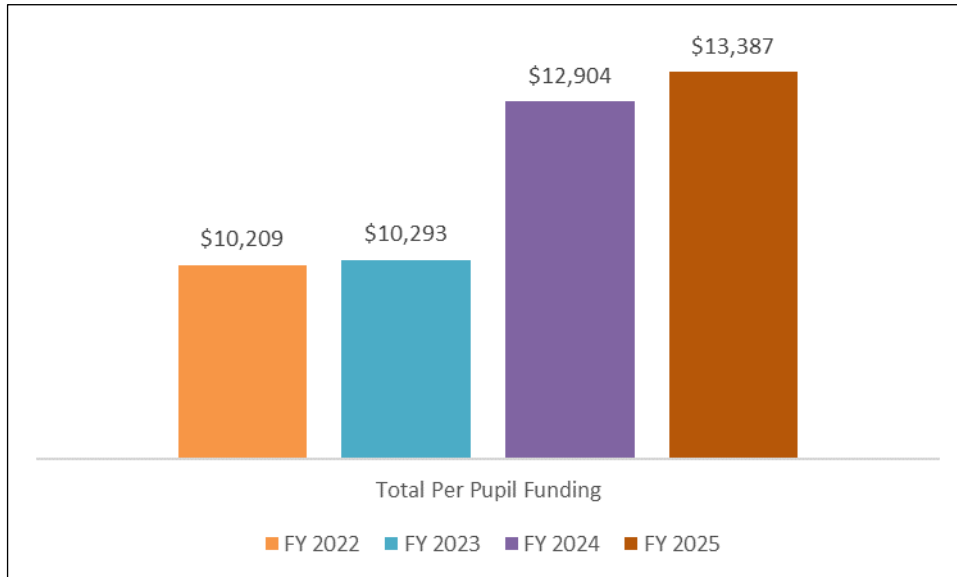
Exhibit 1.1 shows the growth in per pupil funding through the current biennium, including adjusted base, categories, weights, tiers (food service, transportation, and local special education funding), and federal funding.

---

<sup>1</sup> Stakeholders include the Governor, Legislature, NDE, SPCSA, School Districts, individual schools, students, parents, State Board of Education, Charter School Authority Board, District Boards of Trustees, Charter School Boards, local officials, Nevada's business community, and other interested members of the public.

## Exhibit 1.1

### Funding on a Per Pupil Basis Fiscal Years 2022 – 2025



Source: 2023 Nevada Legislative Appropriations Report.

The increase in per pupil funding from fiscal year 2023 to 2024 is just over 25% with an additional increase of 3.75% for fiscal year 2025, an overall 30% increase in public school funding from fiscal year 2023.

### Pupil-Centered Funding Plan Combines Funding into State Education Fund

The PCFP replaced the 54-year-old Nevada Plan and prioritizes equity by funding students based on their unique needs and circumstances. The formula combined over 80 education programs and grants that had funded Nevada education into the State Education Fund and redistributed those resources through the PCFP.

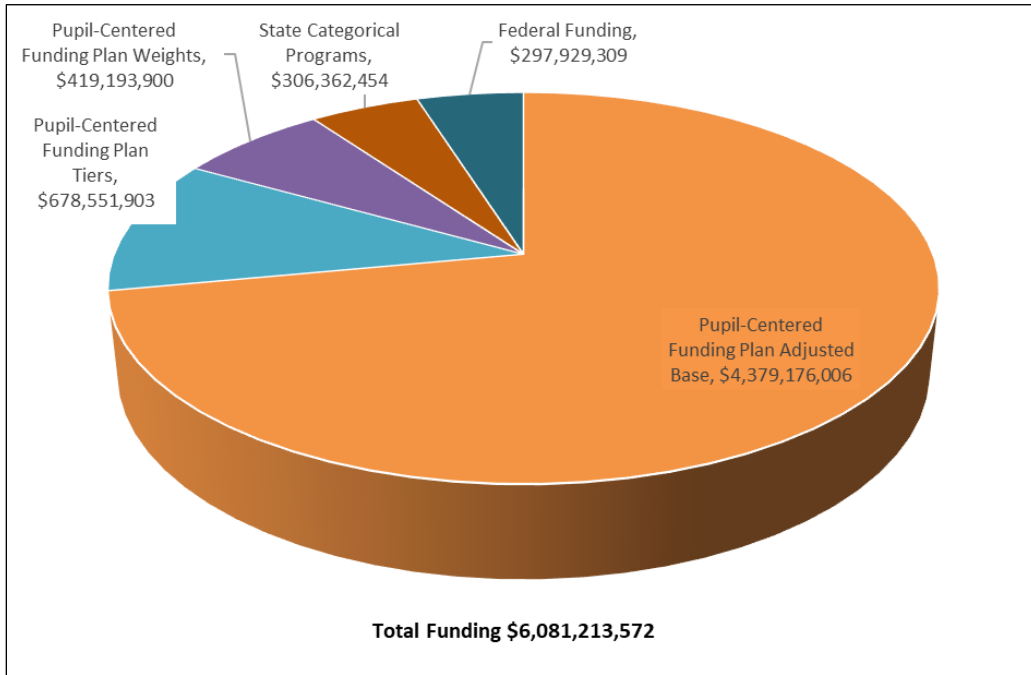
The plan seeks to provide all students with a base level of resources and to provide greater support to those who need it. The plan also accounts for the adjusted costs of providing education in urban, rural, large, and small district and school settings across Nevada.

### PCFP and Other Sources Included in Total Funding

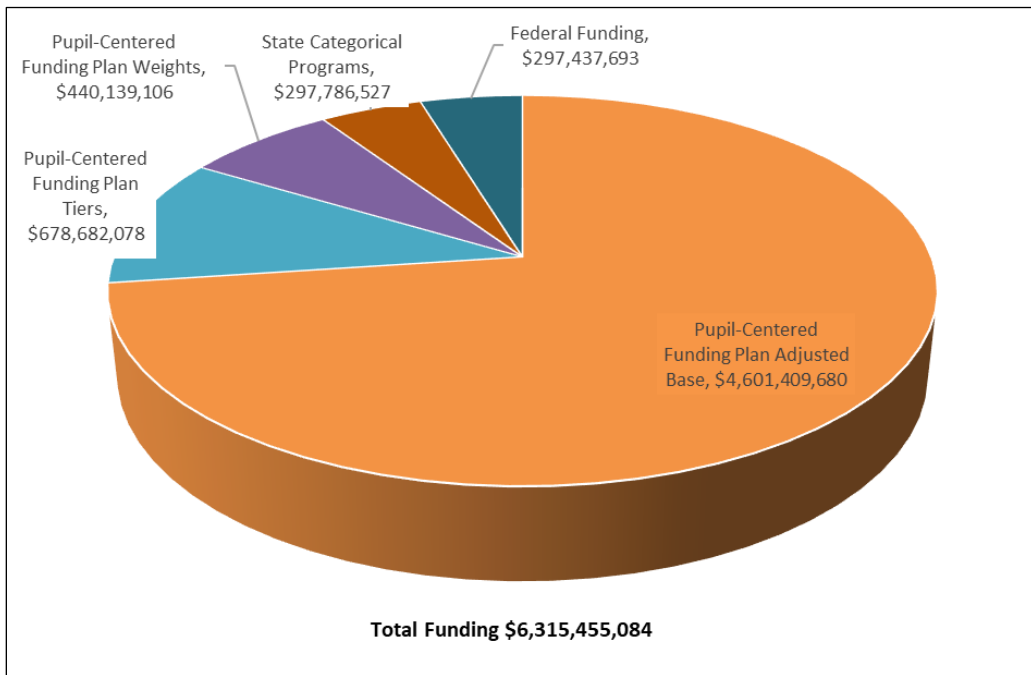
The PCFP is comprised of several components, including a base and adjusted base amount, weights – special populations calculated on a per pupil basis (English learners, at-risk pupils, and gifted and talented pupils), and tiers – auxiliary funding based on prior year expenditures (food service and transportation costs of school districts and local funding to support pupils with disabilities). State categorical programs and federal funding are outside the PCFP. Exhibit 1.2 shows a breakout of the various amounts per component for the upcoming biennium.

**Exhibit 1.2**

**Total Funding Fiscal Years 2024 – 2025  
Fiscal Year 2024**



**Fiscal Year 2025**



Source: 2023 Nevada Legislative Appropriations Report.

All education stakeholders, including state, school district, and charter school officials, as well as students, parents, and interest groups have a role in ensuring the investment in Nevada’s students is well thought through, evidence-based policy, accountable for results, and prepared to adjust to achieve success.

## ***Consider Legislation to Establish a Single Unified Statewide System of Accountability and Support within the PK-12 Public Education System to Recommend Data-driven Policy Solutions***

The Governor and Legislature should consider legislation to establish a single unified statewide system of accountability and support within the PK-12 public education system to recommend data-driven policy solutions for achievement shortcomings. A more integrated process will increase oversight and transparency of educational spending and outcomes and help assure the public's confidence that public school investments are appropriately targeted to address achievement gaps and improve outcomes for Nevada students.

An integrated oversight process would involve collaboration between state and local education leaders to review the results of the various executive and legislative branch committees, initiatives, and recommendations to determine which are most cost effective, solution-oriented, and consistent with Nevada's overall goals for student achievement.

This process would include empowering an existing state entity, establishing a blue-ribbon panel, or designating some other authority to bring a greater element of coordination and action to the myriad of reporting results in the months and years to come. The missing policy imperative from the many initiatives is the link between managing the \$2.6 billion investment in Nevada's students, the achievement results, and how to best adjust along the way.

### **Efforts to Monitor Spending and Achievement Are Not Coordinated**

Several Executive and Legislative Branch initiatives are underway to enhance accountability for the state's \$2.6 billion investment in education. These efforts are siloed without a clear understanding of how reporting and results will be used and who will be required to use them.

Local education leaders are reportedly unsure how they are expected to implement strategies emerging from state initiatives to improve academic performance. Local leaders are looking to the state for guidance; NDE and the SPCSA are unclear about their authority in the oversight function. Questions remain about roles and responsibilities for monitoring spending and achievement outcomes. This uncertainty signals a concerning lack of coordination in the near term and may lead to wasteful and ineffective use of the \$2.6 billion investment in the long term.

## State's Acing Accountability Initiative Opens Data-Driven Discussion



*Governor Joe Lombardo & Superintendent of Public Instruction Jhone Ebert Roll Out Acing Accountability Initiative.*

The recently announced Acing Accountability Initiative opens the way for a data-driven discussion on the efficiency and effectiveness of district and charter school use of new education investment funds. The Governor's 2023 increase in funding to PK-12 education of \$2.6 billion also calls for enhancing Nevada's accountability measures to ensure resources are directly tied to performance. The Governor noted that along with funding, he expected results and would not accept lack of funding as an excuse for underperformance. The Governor stated he intended to work with the State Superintendent of Public Instruction to ensure systems of accountability and transparency are robust and enforced.

### Superintendent of Public Instruction Required to Establish Performance Metrics

The Governor signed Senate Bill 98 (2023) requiring the Superintendent of Public Instruction to establish performance metrics for schools. These metrics include specifically:

- The growth and proficiency of pupils in literacy and mathematics;
- The engagement and proficiency of pupils in courses for college and career readiness; and
- The retention and recruitment of teachers and education support professionals.

The initiative is not exclusively a state-driven process. Additional performance metrics are to be developed by each district and approved by the Superintendent of Public Instruction to identify and meet the unique needs of the students and schools. Together, state and district-level performance metrics are expected to form the basis for data-driven analysis and assessments of academic performance.

## Performance Metrics to Measure Progress on Meeting Expectations

The performance metrics are intended to measure progress on meeting expectations of academic achievement. When viewed together, the metrics are intended to provide a comprehensive basis to evaluate success. Metrics include:

- Effective implementation of reading and mathematics resources – using evidence-based instructional materials and district planning;
- Kindergarten-Grade 3 students demonstrating progress toward mastery in literacy, as measured by the Measures of Academic Progress (MAP) Growth in Reading assessment – using K-3 literacy growth and proficiency;
- Grades 4-8 students demonstrating growth and proficiency in mathematics, as measured by the Smarter Balanced Assessment Consortium (SBAC) assessment – using 4-8 growth and proficiency;
- High School graduates prepared for success in college or a career – using rigorous coursework, student proficiency, and College and Career Ready diplomas;
- Workforce availability to meet needs of students – using fully licensed and certified staff, distribution of vacancies and long-term substitutes, and district budget allocation for recruitment and retention; and
- Innovative solutions to meet the unique needs of students – using district-developed success targets.

## **Commission on School Funding to Spearhead Reporting on Investment**

NRS 387.1246 established the Commission on School Funding and, as amended by Senate Bill 98 (2023), empowers the Commission to review the academic progress made by pupils in each public school since the implementation of the PCFP. The review includes, without limitation, changes to the academic progress of students as the result of any additional money provided to each school by the funding plan.

The Commission's role is to provide guidance to school districts and NDE on implementation of the PCFP, monitor implementation of the PCFP, and make any recommendations to the Joint Interim Standing Committee on Education that would, within the limits of appropriated funding, improve the implementation of the PCFP or correct any deficiencies of NDE or any school district or public school in carrying out the PCFP.



## Collection and Reporting of Metrics Fundamental Commission Responsibility

The Commission is directed to use metrics that measure the academic achievement of students on a wide range of data, including:

- Graduation rates by diploma type;
- Performance on standardized examinations in mathematics, reading, and science;
- Number of credentials or other certification in fields of career and technical education earned by students;
- Number of students who earn a passing score on an advanced placement examination;
- Percentage of students in each school who lack a sufficient number of credits to graduate by the end of their 12<sup>th</sup> grade year;
- Percentage of students in each school who drop out;
- Number of students who enroll in higher education upon graduation;
- Number of students who enroll in a vocational or technical school or apprenticeship training program;
- Attendance rate of students;
- Number of violent acts and disciplinary actions against students; and
- Any other metric prescribed by the Commission.

The Commission is directed to use metrics to measure the improvement of pupils enrolled in elementary school in literacy, including:

- Literacy rate for students in first, third, and fifth grades;
- Number of students in elementary school promoted to the next grade after testing below proficient in reading in the immediately preceding school year, by grade level, and by level of performance on the relevant test;
- Number of schools that employ a licensed teacher designated to serve as a literacy specialist pursuant to NRS 388.159 and the number of schools that fail to employ and designate such a licensed teacher; and
- Any other metric prescribed by the Commission.

The Commission is directed to use metrics to measure the ability of public schools to hire and retain sufficient staff to meet the needs of the public schools, including:

- Rate of vacancies in positions for teachers, support staff, and administrators;
- Attendance rate for teachers;
- Retention rate for teachers;
- Number of schools and classrooms within each school in which the number of students attending exceeds the designed capacity for the school or classroom;
- Number of classes taught by a substitute teacher for more than 25% of the school year; and
- Any other metric prescribed by the Commission.

The Commission is directed to use metrics to measure the extent schools are meeting the needs and expectations of students, parents or legal guardians of students, teachers, and administrators, including:

- Results of an annual survey of satisfaction of school employees;
- Results of an annual survey of satisfaction of students, parents or legal guardians of students, and graduates; and
- Any other metric prescribed by the Commission.

#### Elementary School Literacy Progress Key Component of Commission's Reporting

The Commission is directed to identify the progress made by each school, school district, and charter school on improving the literacy of pupils enrolled in elementary school.

#### Commission Recommendations Meant to Guide State, School District, and Charter School Efforts

The Commission is empowered to make recommendations for strategies to increase the efficacy, efficiency, transparency, and accountability of public schools. Recommendations include how to improve the reporting, tracking, monitoring, analyzing, and disseminating of data relating to student achievement and financial accountability. Moreover, the Commission is responsible for reviewing and considering strategies to improve accessibility and ensure equitability of existing and new programs for students within and between public schools.

#### Staff Support for Commission Falls to NDE

The extensive amount of data gathering and reporting cannot be accomplished by the Commission members alone. The result is staff support falls primarily to NDE. NDE reports limited staffing levels already impact their ability to respond to the increasing number of legislative requirements. While much of the information required by the Commission is already gathered, the important work of data analysis and assessment must be balanced with a myriad of existing priorities and reporting requirements.

Some limited additional staff funding for contractors and consultants was made available during the legislative session. Retaining contract staff has reportedly been a challenge as other more secure career and job opportunities for professional education staff have impacted staff retention and availability. NDE leadership has expressed an ability to manage staffing challenges in the near term, but as the Commission's work progresses and expectations for reporting results grows, a more permanent solution may be necessary, such as growing the size of the professional staff at NDE or reducing requirements.

## Legislature Enhances Oversight of Education Funding and Achievement

In response to Nevada's ability to invest an additional \$2.6 billion to address long-term education challenges, the Legislature moved forward with several initiatives to enhance oversight of the state's funding and achievement goals for school districts and charter schools. The Legislature seeks not only to enhance oversight in the current environment but also to shape the future of the education conversation in the years following to build a collaborative support structure for learning and academic success for students, parental engagement, and the needs of Nevada's future workforce.



*Nevada State Legislature Building*

### IFC Education Accountability Subcommittee Established

NRS 218E was amended by Assembly Bill 399 (2023) to create the Interim Finance Committee (IFC) Subcommittee on Education Accountability. The general objectives and function of the Subcommittee are to discuss, evaluate, and make recommendations relating to accountability in public education in Nevada to improve the educational achievements and outcomes for students.

The Subcommittee is empowered to study:

- Fiscal policy, school finance, or similar or related financial activities;
- The sufficiency of current revenue and expenditures relating to public education and the anticipated revenue and expenditures necessary to improve educational achievements and outcomes for students;
- Administrative support and policies;
- Corrective action plans for public schools to improve educational achievements and outcomes; and
- The rules, regulations, and policies of individual school districts or public schools.

### Commission on Innovation and Excellence in Education Established

NRS 385 was amended by Senate Bill 425 (2023) to create the Commission on Innovation and Excellence in Education. The Commission is empowered to develop a statewide vision and implementation plan to improve the public education system in Nevada and shall:

- Conduct a benchmarking or gap analysis study comparing the education policies of Nevada to the education policies of high-performing international and domestic education systems;
- Make recommendations on how to adapt the appropriate education policies of high-performing systems in the public education system in Nevada;
- Identify objectives to put the education performance of students in Nevada in parity with students in high-performing systems and make recommendations on how to meet the identified objectives;
- Review the findings of any previous or ongoing studies related to the funding of education and incorporate any relevant findings; and
- Develop an implementation plan for the recommendations made which includes an analysis of the costs of the plan.

To carry out any of its functions, the Commission may coordinate with the National Center on Education and the Economy or organizations with similar expertise as well as educational and business entities for information and expertise.

NDE Has Significant Role  
In Commission’s Operation

The legislation appoints the Superintendent of Public Instruction to call the first meeting of the Commission, which is expected to take place in January 2024. Moreover, the legislation designated NDE to provide any administrative support necessary for the Commission to carry out its duties.

Legislative Auditor to  
Audit School Districts



*Emblem of the  
Nevada Legislature*

NRS 218G was amended by Assembly Bill 517 (2023) requiring the Legislative Auditor to conduct a performance audit of the two school districts with the largest number of enrolled students in Nevada (Clark and Washoe Counties) and the State Public Charter School Authority not later than August 31, 2026, and not less than once every four years thereafter.

The bill authorizes the Chair of the Interim Finance Committee to request the Legislative Auditor conduct a performance audit of up to three additional school districts no later than January 1, 2026, and every four years thereafter. The audit reports will be presented to the Legislative Commission, the Interim Finance Committee or Subcommittee on Education Accountability, and the Legislative Commission’s Audit Subcommittee. The Legislature authorized an additional 15 positions to assist the Legislative Auditor accomplish the new audits.

The Legislative Auditor's performance audits will evaluate:

- Compliance with statutory requirements concerning annual reports of accountability, as well as consistency, or lack thereof, in the methodology used for such reporting;
- Compliance with state or local laws relating to contracting with outside entities to provide goods or services;
- Whether any plans presented by the school district or SPCSA to the Legislature or the IFC have been implemented and whether any such plan is achieving or has achieved the desired outcome;
- The efficacy of any strategy or program implemented at one or more schools to improve the proficiency of students in reading, mathematics, science, or writing; improve outcomes of students who are English learners, at-risk students, or receiving special education; improve the academic performance of students enrolled in a Title I school; or increase parental involvement and family and community engagement in public schools;
- The efficacy of any strategy or program of recruitment or retention designed to ensure availability of qualified teachers and other educational personnel and support staff, including mental health professionals;
- The efficacy of any strategy or program implemented by a school district or SPCSA to reduce class size; and
- Any other matter the Legislative Auditor is requested to evaluate by the IFC.

Audit Results Will Inform  
Accountability Assessments

The Legislative Auditor's reports will likely inform Legislative actions, the Executive Branch, and assessments of NDE and SPCSA efforts to comply with legislation and enhance accountability for the state's additional \$2.6 billion investment. While the Legislative Auditor's reports will focus on district and charter school compliance, initiatives, and outcomes, NDE and SPCSA may benefit from audit findings affecting state-level initiatives and authorities.

## ***Conclusion***

The current state of accountability on education funding and performance is mostly sufficient to reasonably evaluate the efficacy, efficiency, and fiscal responsibility of each school district and public charter school. Additional accountability measures driven, in large part, by legislative action may provide more detailed information. This information may lead to alternative policy options for stakeholders to assess and use to ensure Nevada's additional \$2.6 billion funding in education is invested appropriately to achieve better results for students.

The many efforts at enhancing accountability lack coordination to offer school districts and charter schools informed guidance and actionable policy to help those that fall short of the mark. Without an identified lead to gather the results of the many studies and reporting requirements ongoing in the coming biennium, a cohesive, data-driven, well-informed policy process will be challenging to achieve.

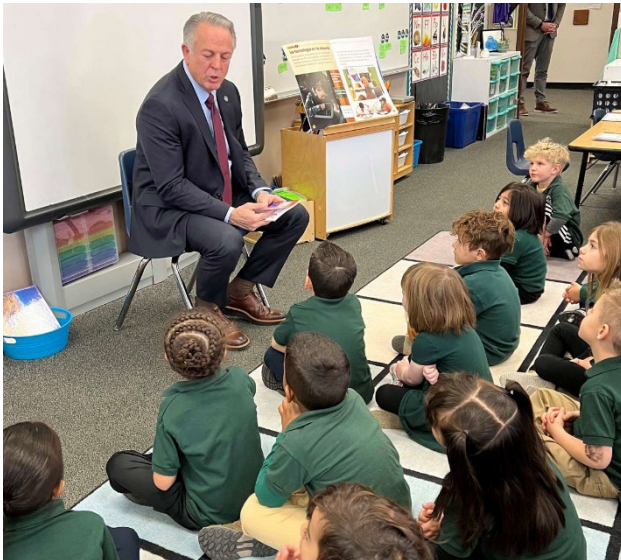
## ***Focus Policy and Improvement Efforts on Critical Performance Elements***

Stakeholders should agree to focus policy and improvement efforts funded by the additional \$2.6 billion education investment on critical performance elements, specifically reading and mathematics achievement in the early years of a student's education. A more focused policy and improvement effort will help target resources to critical achievement gaps in reading and mathematics to set conditions for academic success throughout the student's public school experience.

Focusing on these critical performance elements in school curriculum, funding priorities, and assessing achievement will provide a solid foundation for individual learning and enhance public confidence in school district and charter school outcomes.

### **Priority on Reading and Mathematics Necessary for Future Success**

Reading skills set up academic success throughout a student's educational experience and mathematics is fundamental for a range of academic and life skills,



*Governor Joe Lombardo visits Nevada students.*

including science, financial literacy, cost-benefit analysis, and workplace requirements. Nevada continues to underperform in reading and mathematics assessments. While all performance elements are important, including computer science skills, social studies, science, and fine arts, to name a few, all cannot be prioritized simultaneously. The goal should be to address the fundamental building blocks of all student success whether the student progresses and is college bound or is career and technical oriented.

### **Priorities Will Help Guide Investment Decisions**

Nevada's historic \$2.6 billion additional investment in education has the ability to improve educational outcomes with appropriate objectives to guide where and how the funds are spent. That guidance must start with stakeholder agreement on what the priorities are and how to build subsequent success on a solid foundation of learning and academic achievement.



## Successful Private Sector Companies Prioritize Limited Objectives Before Moving On

Research shows that successful private sector companies prioritize a limited number of objectives before moving on to other objectives built on prior success of the initial priorities. For example, both Forbes and Warren Buffett speak to the need of establishing priorities within all the objectives and goals companies want to accomplish.

The Forbes model suggests prioritizing “income producing potential.” Nevada’s education stakeholders should view this suggestion in terms of what investment will prepare students for future academic success. Reading skills are the critical element for all future academic success. Studies show a key predictor of school success and high-school graduation is the ability to read at grade level by the end of grade three.<sup>2</sup>

## Federal Funding Emphasizes Reading and Mathematics Progress

Federal education guidelines and initiatives emphasize the importance of reading and mathematics as fundamental building blocks for academic achievement. Academic assessments are key to federal funding. The National Assessment of Educational Progress (NAEP) is a primary U.S. Department of Education tool for gauging and funding state efforts in reading and mathematics.

Federal law specifies that NAEP is voluntary for every student, school, school district, and state. However, federal law also requires all states that receive Title I funds to participate in NAEP reading and mathematics assessments at fourth and eighth grades.<sup>3</sup> Similarly, school districts that receive Title I funds and are selected for the NAEP sample are also required to participate in NAEP reading and mathematics assessments at fourth and eighth grades. Federal guidance requires each State Plan to demonstrate the state educational agency (NDE), in consultation with local education agencies (school districts/SPCSA), is implementing a set of high-quality student academic assessments in mathematics, reading or language arts, and science.



*Fourth-grade students' mathematics lesson.  
Richard C. Priest Elem. Sch., North Las Vegas.  
Photo by thenevadaindependent.com.*

---

<sup>2</sup> Annie E. Casey Foundation, “Early Warning! Why Reading by the End of Third Grade Matters,” 2010.  
University of Chicago, Chapin Hall, “Reading on Grade Level in Third Grade: How Is It Related to High School Performance and College Enrollment?” 2011.  
Alliance for Excellent Education, “The High Cost of High School Dropouts: What the Nation Pays for Inadequate High Schools,” 2011.  
Nevada Department of Education, 2023-2024 Read by Grade 3 School Implementation Guide III, 2023.

<sup>3</sup> Title I is a U.S. Department of Education program that provides federal funding to schools and school districts to help students who are economically disadvantaged or at risk of failing to meet state standards. The funding is meant to help schools establish programs to help these students. The program was first authorized in 1965 as part of President Lyndon B. Johnson’s War on Poverty.



## **Extensive Reporting Requirements Add to Workload**

There is a lot of work that will be going on in Nevada to establish a body of knowledge, monitor programs and funding, and oversee the \$2.6 billion investment in education. As detailed earlier, there are extensive reporting requirements for the state, school districts, and charter schools. Moreover, specific commissions, legislative committees, as well as NDE and the SPCSA are tasked with conducting various studies and reporting on a wide range of educational topics.

A clear challenge will be meeting the reporting requirements by the limited number of professional staff at both NDE and SPCSA as well as validating the work of contractors or consultants brought into the process. NDE reports the challenge of retaining contract professional educators who quickly move on to other, more lucrative, permanent positions elsewhere. Focusing efforts will be critical to successful and meaningful reporting results.

## **NDE and SPCSA May Not Be Sufficiently Staffed to Meet Reporting Requirements**

Both in the near and long terms, NDE and SPCSA may not be sufficiently staffed to meet the reporting requirements and consolidate the results into better policy to maximize the \$2.6 billion investment in Nevada's education outcomes. The Legislature is directing more work for NDE, to include supporting the newly created Commission on Innovation and Excellence in Education. The increased workload may require consideration for additional staff to assure quality support for all education entities in the state.

Focusing on priorities in reading and mathematics will help guide all the work that needs to be done to assure academic achievement and policy support for Nevada's students.

### Comparison with Other States Shows the Staff Challenge

Staffing has long been a concern for state education leaders and will likely continue to be a challenge as accountability requirements and expectations grow to ensure Nevada's additional \$2.6 billion funding in public education is efficiently and effectively invested. Departments of Education are, in general, doing the same type of work managing grants, monitoring school districts and schools, and implementing strategies to meet academic standards. Exhibit 1.3 highlights the challenge for NDE.

### Exhibit 1.3

#### Comparison of State Departments of Education Fiscal Year 2016

State	Dept. of Ed. Staff	Students in Public Education	Ratio
Nevada	170	464,000	1:2,729
New Mexico <sup>a</sup>	350	330,000	1:943
Oregon <sup>a</sup>	470	563,000	1:1,198
Mississippi <sup>b</sup>	423	487,000	1:1,151
Florida <sup>c</sup>	2,400	2,727,105	1:1,136
Arkansas <sup>b</sup>	408	491,000	1:1,203

Source: NDE presentation to Commission on School Funding, January 8, 2021.

Notes: <sup>a</sup> Other western states.

<sup>b</sup> State with comparable student population.

<sup>c</sup> State with successful reading and mathematics testing results noted in this report, Chapter 4.

While a comparison of roles and responsibilities for Departments of Education would be needed, NDE may be understaffed in comparison to other states. As expectations and specific tasks increase for NDE's role in overseeing Nevada's additional \$2.6 billion investment in public education, consideration must be given to the question of whether there are sufficient staff at the state level to meet the workload.

To achieve a comparable ratio with Arkansas, the state with the worst, but closest staff to student ratio, NDE staff would need to more than double. That growth rate is unlikely for many reasons. NDE will need to propose alternative strategies to accomplish the expanded role to meet the necessary oversight function of the significantly increased state funding to school districts and charter schools. Proposed strategies may include modest and targeted staff enhancements at the most critical nexus of oversight functions.

### **Conclusion**

Many stakeholders are trying to address all of the state's education deficiencies through the additional \$2.6 billion investment being made in Nevada's students. A more focused approach to invest in core education competencies that lead to overall academic achievement may have more impact. Reading and mathematics competency is the cornerstone of academic achievement throughout a student's educational experience. Staffing challenges alone present an immediate need to prioritize resources and commit to focusing on the necessary performance elements at all levels of instruction in Nevada's public schools.

## **Consider Legislation to Provide the Nevada Department of Education with More Robust Intervention Tools to Support Chronically Low-performing Schools**

The Governor and Legislature should consider legislation to provide the Nevada Department of Education with more robust intervention tools to support chronically



low-performing schools. Empowered state education professionals will be able to more timely intervene and assist school districts and charter schools improve achievement outcomes and serve as a ready resource to reinforce teaching and learning strategies that lead to academic success.

Successful school improvement interventions are implemented by using a range of strategies that vary in intensity from general technical assistance to alternative governance for identified schools or districts. State intervention at the district and school levels would be a valuable and proactive tool that is based on achievement results, of a defined period of time, and with specific, metric-driven goals. The effort would be to break the cycle of under-achievement that occurs in some districts and schools.



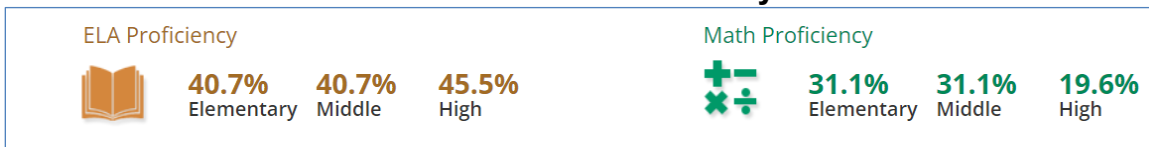
When schools do not meet their improvement goals in the state-established timeframe, more rigorous interventions may be taken. According to the U.S. Department of Education, states and districts are more likely to implement successful school improvement interventions by using rigorous and relevant evidence and assessing the local capacity to implement the intervention (e.g., funding, staff, staff skills, and stakeholder support).

### **Some Schools Will Need Help to Succeed**

Inevitably, some schools will need additional help to successfully meet standards. Exhibit 1.4 shows the current rates of English/Language Arts (ELA) and mathematics proficiency statewide.

#### **Exhibit 1.4**

#### **Statewide Academic Proficiency Rates**



Source: Nevada Department of Education, Nevada Report Card, November 2023.

The state should be positioned to offer targeted, data-driven interventions to help all of Nevada’s schools improve performance and literacy proficiencies.

NDE should be building an assistance plan to help specific districts and schools improve performance. Preliminary work is ongoing at the state level for identifying intervention strategies to help districts and schools improve. These strategies range from interjecting teach-the-teacher opportunities and reading and mathematics assistance teams to a conversation about more management authority to affect the changes necessary to improve performance and proficiency. Discussions with stakeholders have emphasized the necessity of a professional, collegial partnership between the state, school districts, and charter schools to develop the most effective strategy for improving performance of each of Nevada’s schools to the benefit of each individual student.

### **State Superintendent of Public Instruction Responsible for PK-12 Oversight**

In Nevada, the State Constitution consigns responsibility for public education to the Legislature (Article 11, Section 2) which states, “The Legislature shall provide for a uniform system of common schools.” The Nevada Legislature enacted NRS 385.175 and assigned responsibility for the oversight of PK-12 public education to the Superintendent of Public Instruction.

The statute states, among several responsibilities, the Superintendent of Public Instruction is the educational leader for the system of PK-12 public education in Nevada. The Superintendent shall enforce the statutes and regulations governing PK-12 public education and shall request a plan of corrective action from the Board of Trustees of a school district if the Superintendent of Public Instruction determines the school district has not complied with a requirement of statute or regulation governing PK-12 public education.

#### Responsibility Without an Enforcement Mechanism

The Superintendent of Public Instruction may be responsible for oversight of public education in Nevada; however, there is no substantive enforcement mechanism in statute to compel non-compliant school districts or schools to abide by duly enacted laws concerning public education. NRS 388.175 requires school districts that are out of compliance with statute or regulation to include a “timeline approved by the Superintendent of Public Instruction for compliance with the statute.” Nevada law is silent in cases where a school district or school fails to provide a timeline or fails to adhere to an approved timeline. The policy gap is that Nevada needs a mechanism to compel out-of-compliance school districts to adhere to existing statutes and regulations. Such a mechanism is especially important as school districts and charter schools begin funding plans with the \$2.6 billion additional investment in public education and the heightened need for spending and program accountability.

## **Proportional Intervention Tools Necessary to Affect Change**

Affecting positive change in school districts and individual schools may require a range of tools available to NDE to help achieve improved educational outcomes. These tools should not be perceived as punitive but rather as a helping hand from the state to ensure all Nevada students are equipped and feel empowered to attain their vision of success.

## **Federal Survey of States Shows Consistent Intervention Policies**

State policies show a great deal of consistency in approaches to supporting chronically low-performing schools, perhaps because many of the interventions align closely with federal guidance for improving schools, according to a U.S. Department of Education report.<sup>4</sup> The federal survey of state intervention in chronically underperforming schools identified six categories of policies guiding strategies:

- Development or monitoring of school improvement plans (nearly all states);
- Changes in staffing (47 states);
- Closing a school (31 states);
- Financial incentives or interventions (37 states);
- Reforms to the day-to-day operation of the school (32 states); and
- Changes related to the entity that governs or operates the school (39 states).

Although a majority of states have, to some extent, a range of policies guiding their intervention actions for chronically underperforming schools, specific policies vary and are generally tailored for individual state preferences and need. For example, with regard to preparing and monitoring school improvement plans, strategies vary from a state's ability to conduct an instructional audit or external evaluation of a school to a state's more limited ability to monitor or supervise implementation of a school improvement plan. Stakeholders will need to find common ground on the appropriate scope and intensity of interventions necessary to ensure accountability for Nevada's additional \$2.6 billion investment in public education.

## **Other Efforts Can Be Basis to Start Policy Conversation**

Prior Nevada administrations have tackled the challenge of improving chronically underperforming schools with mixed results. Those efforts can be the basis for starting a policy conversation between the Governor Lombardo administration and the Legislature to pursue meaningful, implementable, and shared responsibility for improving underperforming schools. Nevada's students deserve no less than a committed, honest effort to help them succeed in the school they find themselves attending.

---

<sup>4</sup> U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, State Policies for Intervening in Chronically Low-Performing Schools: A 50-State Scan, June 2016.

## Louisiana Recognized as Leader in Reshaping Education System

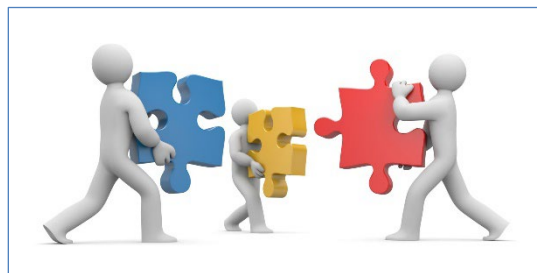
The State of Louisiana has long ranked low compared to other states on the National Assessment of Education Progress, referred to as the Nation's Report Card. Despite that ranking, Louisiana is now a recognized national leader in reshaping a state's education system.<sup>5</sup>

A decade's worth of commitment and effort has shown sustained improvement in academic achievement, including graduation rates, college and career readiness, improved teacher preparation and performance, a highly regarded school measurement and accountability system, and more options for school and course choice. Louisiana education officials point to a strong framework of policies and innovations and the hard work of effective educators and school leaders for its success.

An important aspect of Louisiana's success is the ability to intervene in failing schools. The Louisiana Department of Education is empowered to approve evidence-based interventions at the first incident of being assessed an academically unacceptable school. Subsequent unacceptable assessments lead to more intensive interventions recommended by the Department of Education and approved by the State Board of Education up to and including transfer to the Recovery School District, a special statewide school district administered by the Department of Education designed to take underperforming schools and transform and make them effective in educating children.

## Reading and Mathematics Assistance Teams Can Help Teachers and Students

State-level reading and mathematics assistance teams are an option to give teachers and students the help they need to improve performance at the local level. State teams equipped to teach-the-teacher are a first step in establishing the necessary instructional infrastructure to support school districts and charter schools. Assistance teams at the school district and charter school authority levels are logical components of a cohesive, broad, and coordinated effort to intervene at the earliest opportunity and at the appropriate instructional level to affect performance and outcomes.



---

<sup>5</sup> Rand Corporation, "What Other States Can Learn from Louisiana's Ambitious Efforts to Reshape Its Education System," 2019.

## ***Conclusion***

Accountability for Nevada's additional \$2.6 billion investment in public education is challenged because there is no mechanism for NDE to intervene substantively to affect change in underperforming school districts or charter schools. Limited statutory authority to review, monitor, and establish timelines for underperforming schools to comply with standards is further constrained by the lack of an enforcement mechanism should schools fail to adhere to the approved plan for improving performance. A majority of other states have legislatively approved mechanisms to allow interventions at local levels to address underperformance issues. Empowering NDE to intervene to help school districts and charter schools meet achievement standards is a logical step to assure accountability for Nevada's financial commitment to improving education outcomes for all students.

## ***Recommendations***

- 1.1. Consider legislation to establish a single unified statewide system of accountability and support within the PK-12 public education system to recommend data-driven policy solutions. (Governor and Legislature)
- 1.2. Focus policy and improvement efforts on critical performance elements. (Stakeholders)
- 1.3. Consider legislation to provide the Nevada Department of Education with more robust intervention tools to support chronically low-performing schools. (Governor and Legislature)
- 1.4. Identify and prioritize areas where additional resources would support implementation of accountability, oversight, and technical assistance roles. (Nevada Department of Education)

---

---

## Chapter 2

# Profiles, Performance, and Accountability

---

---

Education stakeholders can improve accountability of Nevada’s additional \$2.6 billion investment in public education by:

*2.1. Using profile and performance data to inform funding decisions.*

Informed funding decisions will provide greater transparency of school district and charter school finances and address achievement gaps, savings and reallocation opportunities, and teacher compensation priorities.

Profile and performance data is shown to provide a more complete discussion of Nevada’s school districts and charter schools. Profile data includes budget information, staffing levels, disciplinary actions, teacher compensation, and class size. Performance data includes graduation rates and testing results for large city/school districts by the National Assessment of Educational Progress (NAEP), often referred to as the Nation’s Report Card.

### ***Use Profile and Performance Data to Inform Funding Decisions***

School districts and charter schools should use profile and performance data to inform funding decisions. Informed funding decisions will help align priorities and resources and provide for more efficient and effective use of the state’s investment of \$2.6 billion in public education.

The compiled profile and performance data provided by Nevada’s 17 school districts and 53 charter schools is another tool to help education leaders focus and refine investment opportunities and to ensure specific gaps in achievement are being addressed. The data is also informative for stakeholders to ensure academic standards can be met through an appropriate balance of instruction, support, and staff funding.

### **NRS Guides Accounting and Reporting of Education Finances**

NRS requires, among other stipulations, the Nevada Department of Education (NDE) to develop a uniform system of budgeting and accounting to report education revenues and expenditures in a consistent manner. To fulfill that stipulation, NDE has developed the Nevada Common Elements for Accounting and Reporting PK-12 Education Finances, commonly referred to as the Standard Chart of Accounts, most recently updated May 3, 2021.

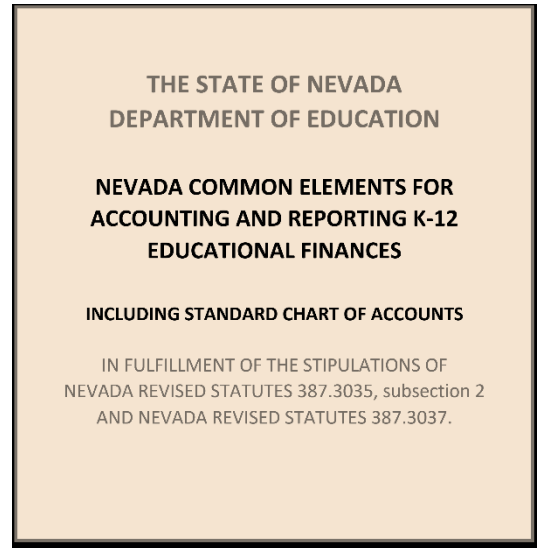


The NDE Chart of Accounts provides accounting and reporting guidance for various types of funds, revenues, programs, and functions, along with other instructions for financial reporting. The Chart of Accounts helps school district and charter school officials track and account for public resources and prepare for the annual financial reporting.

### Functional Spending Highlights Variances between Urban and Rural School Districts

The Chart of Accounts/Function section's guidelines and reporting best illustrates the variances between Nevada's urban and rural school districts. The Function section describes the activity for which a service or material object is acquired. The function of a school district is classified into five broad areas: Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction, and Debt Service. The Instruction and Support Services reporting best shows spending on activities that most directly affect the education of students:

- **Instruction** includes activities dealing directly with the interaction between teachers and students. Teaching may be provided in a school classroom, another location such as a home or hospital, and other learning situations such as those involving cocurricular activities. Teaching may also be provided through some other approved medium, such as television, radio, computer, internet, multimedia telephone, and correspondence delivered inside or outside the classroom or other teacher-student setting. Activities include the work of aides and classroom assistants of any type who assist in the instructional process.
- **Support Services** provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services are adjuncts for fulfilling the objectives of instruction, community services, and enterprise programs. Support Services are further categorized as:
  - **Students:** Activities designed to assess and improve the well-being of students and to supplement the teaching process. Examples include: attendance and social work services; guidance services; health services; and speech pathology and audiology services.
  - **Instruction:** Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students. Examples include: instruction and curriculum development; instructional staff training; library/media services; technology supporting instruction; student learning centers; and academic student assessment.



- **General Administration:** Activities concerned with establishing and administering policy for operating the school district. Examples include: Board of Trustees; executive administration; and the Office of the Superintendent.
- **School Administration:** Activities concerned with overall administrative responsibility for a school. Examples include Office of the Principal and full-time department chairpersons.
- **Central Services:** Activities that support other administrative and instructional functions. Examples include: fiscal services; human resources; planning; and administrative information technology.
- **Operation and Maintenance of Plant:** Activities concerned with keeping the physical plant open, comfortable, and safe for use and with keeping the grounds, buildings, and equipment in effective working condition and state of repair. Examples include: building maintenance and operation; vehicle operation and maintenance; security; and safety.
- **Student Transportation:** Activities concerned with conveying students to and from school, as provided by state and federal law, including trips between home and school and trips to school activities.

No Discernable Pattern in Actual Spending  
Between Instruction and Support Services

The 17 Nevada School Districts and 53 Charter Schools reported the breakout between the instruction and support services expenditures for fiscal year 2022. The report showed no discernable pattern for instruction and support services spending.

Given the delineation of activities in the Chart of Accounts, it should be expected that school districts with a smaller number of students would have a ratio showing more spending for support services. Support services cover activities consistent in all school districts, whereas the number of students varies. The associated amount of spending to cover teacher/student activities will also vary.

Exhibit 2.1 shows the actual spending breakout of instruction and support services for fiscal year 2022 as reported to NDE on the report required by NRS 387.303, commonly referred to as the “387 Report.”

**Exhibit 2.1**

**Instruction/Support Services Expenditure Breakout  
for School Districts in Fiscal Year 2022**

Breakout of Expenditures Reported in 387.303 Report in Fiscal Year 2022						
School District	Enrollment	Instuction \$	Support \$	Total \$	Instruction%	Support%
Carson City	7,271	61,925,903	46,413,210	108,339,113	57%	43%
Churchill	3,237	26,054,984	15,951,887	42,006,871	62%	38%
Clark	300,529	2,458,526,531	1,521,456,225	3,979,982,756	62%	38%
Douglas	5,221	42,374,518	25,583,563	67,958,081	62%	38%
Elko	9,576	74,709,780	61,398,800	136,108,580	55%	45%
Esmeralda	81	1,209,808	1,800,353	3,010,161	40%	60%
Eureka	321	5,905,474	9,452,011	15,357,485	38%	62%
Humboldt	3,229	27,626,705	23,002,071	50,628,776	55%	45%
Lander	981	9,630,054	5,863,793	15,493,847	62%	38%
Lincoln	860	9,677,506	6,576,580	16,254,086	60%	40%
Lyon	8,858	68,663,246	47,988,824	116,652,070	59%	41%
Mineral	562	5,852,653	4,095,961	9,948,614	59%	41%
Nye	5,429	48,676,310	31,336,116	80,012,426	61%	39%
Pershing	655	5,711,383	7,800,458	13,511,841	42%	58%
Storey	434	4,449,151	4,834,531	9,283,682	48%	52%
Washoe	61,490	465,870,256	417,342,678	883,212,934	53%	47%
White Pine	1,248	11,046,953	10,409,050	21,456,003	51%	49%
<b>Totals</b>	<b>409,979</b>	<b>3,327,911,215</b>	<b>2,241,306,111</b>	<b>5,569,217,326</b>	<b>60%</b>	<b>40%</b>

Source: DIA analysis of NDE 387 Report.

Charter School Reporting Shows Wide Range of  
Instruction and Support Services Expenditures

Exhibit 2.2 shows that several charter schools were able to spend more for instruction, in large part because of support services these schools did not provide in 2022, such as transportation and limited food services. Other charter schools spent less for instruction than the average school district. Part of this can be attributed to the capital spending by charter schools that do not have the same long-term financing options available to school districts. In most cases, charter schools save money over years in order to pay for capital outlays in a single year. Overall, charter schools in general spent less than school districts although instructional spending did not directly correlate to the performance of the school.

**Exhibit 2.2**

**Instruction/Support Services Expenditure Breakout  
for Charter/University Schools in Fiscal Year 2022**

Breakout of Expenditures Reported in 387.303 Report in Fiscal Year 2022						
Charter/University School	Enrollment	Instruction \$	Support \$	Total \$	Instruction%	Support%
100 Academy of Excellence	413	1,452,788	3,314,893	4,767,681	30%	70%
Academy for Career Education	208	1,000,650	1,185,686	2,186,336	46%	54%
Alpine Academy	138	685,181	534,168	1,219,349	56%	44%
Amplus	2,230	9,795,853	8,369,786	18,165,639	54%	46%
Bailey Charter Elementary School	187	1,144,323	729,847	1,874,170	61%	39%
Beacon Academy of Nevada	384	3,022,919	2,265,902	5,288,821	57%	43%
Carson Montessori School	281	1,758,706	439,654	2,198,360	80%	20%
CIVICA Nevada	573	3,285,005	2,470,963	5,755,968	57%	43%
Coral Academy of Science-Las Vegas	3,719	20,214,198	9,270,256	29,484,454	69%	31%
Coral Academy of Science-Reno	1,589	8,069,559	10,992,709	19,062,268	42%	58%
Davidson Academy of Nevada	157	3,257,035	2,235,277	5,492,312	59%	41%
Delta Academy	898	1,989,240	5,098,254	7,087,494	28%	72%
Democracy Prep Academy	1,115	5,841,008	7,454,908	13,295,916	44%	56%
Discovery Charter School	453	2,264,084	1,569,717	3,833,801	59%	41%
Doral Academy of Nevada	6,081	27,372,069	15,956,764	43,328,833	63%	37%
Doral Academy of Northern Nevada	923	3,713,446	2,951,912	6,665,358	56%	44%
Elko Institute for Academic Achievement	198	1,051,475	1,176,584	2,228,059	47%	53%
enCompass Academy	105	803,267	587,835	1,391,102	58%	42%
Equipo Academy	831	5,401,547	3,561,949	8,963,496	60%	40%
Explore Academy	177	1,066,456	901,414	1,967,870	54%	46%
Explore Knowledge Academy	674	3,976,255	1,801,977	5,778,232	69%	31%
Founders Academy	903	3,506,261	2,437,617	5,943,878	59%	41%
Freedom Classical Academy	1,013	4,396,812	2,334,887	6,731,699	65%	35%
Futuro Academy	486	2,676,807	2,550,040	5,226,847	51%	49%
Girls Athletic Leadership School	103	230,030	978,362	1,208,392	19%	81%
High Desert Montessori School	364	1,807,620	10,421,767	12,229,387	15%	85%
Honors Academy of Literature	227	1,110,968	632,561	1,743,529	64%	36%
Imagine School at Mountain View	652	2,687,321	2,500,315	5,187,636	52%	48%
Innovations International	651	3,825,251	3,368,901	7,194,152	53%	47%
Leadership Academy of Nevada	300	1,444,014	1,059,288	2,503,302	58%	42%
Learning Bridge Charter School	189	1,063,227	550,816	1,614,043	66%	34%
Legacy Traditional School	4,236	18,188,843	12,553,762	30,742,605	59%	41%
Mariposa Academy of Language & Learning	153	1,237,532	833,032	2,070,564	60%	40%
Mater Academy of Nevada	3,563	23,429,843	15,918,327	39,348,170	60%	40%
Mater Academy of Northern Nevada	481	2,865,474	2,111,632	4,977,106	58%	42%
Nevada Connections Academy	1,173	6,511,836	5,246,139	11,757,975	55%	45%
Nevada Prep	235	1,356,881	1,349,512	2,706,393	50%	50%
Nevada Rise Academy	377	2,048,874	1,481,678	3,530,552	58%	42%
Nevada State High School	913	1,427,386	5,507,777	6,935,163	21%	79%
Nevada State High School Meadowood	49	70,447	337,318	407,765	17%	83%
Nevada Virtual Academy	2,143	10,913,167	5,819,026	16,732,193	65%	35%
Oasis Academy	708	4,248,683	8,510,453	12,759,136	33%	67%
Odyssey Charter Schools	2,353	9,199,976	10,397,507	19,597,483	47%	53%
Pinecrest Academy of Nevada	6,825	30,230,017	19,729,997	49,960,014	61%	39%
Pinecrest Academy of Northern Nevada	863	3,386,944	3,288,435	6,675,379	51%	49%
Quest Academy Preparatory	460	2,378,829	1,849,667	4,228,496	56%	44%
Rainbow Dreams Academy	54	367,830	725,662	1,093,492	34%	66%
Sierra Nevada Academy Charter	315	1,362,837	1,974,533	3,337,370	41%	59%
Signature Prep	927	4,048,185	3,003,048	7,051,233	57%	43%
Silver Sands Montessori Charter School	253	1,033,140	1,167,540	2,200,680	47%	53%
Somerset Academy of Las Vegas	9,528	42,221,141	23,272,283	65,493,424	64%	36%
Sports Leadership and Management	1,613	6,645,652	8,044,422	14,690,074	45%	55%
TEACH Las Vegas	114	928,366	1,237,459	2,165,825	43%	57%
<b>Totals</b>	<b>63,558</b>	<b>304,015,258</b>	<b>244,064,218</b>	<b>548,079,476</b>	<b>55%</b>	<b>45%</b>

Source: DIA analysis of NDE 387 Report (<https://doe.nv.gov/studentinvestmentdivision/home/>).

Charter schools reported a wide range of spending ratios between instruction and support services. Almost 53% of charter schools reported they were able to commit at least 55% of their spending to instruction in 2022. Notably, charter school average ratio for instruction and support spending is lower than for school districts. Given that most charter schools do not provide transportation and only about half provide food services to students, the question of higher charter school support services expenditures in relation to instructional spending remains open. This question will be reviewed in an upcoming audit by the Division of Internal Audits.

### **Overall Staff Ratios Relatively Consistent Statewide**

Staff data reported by Nevada's 17 School Districts and 53 Charter Schools show a relative consistency among school districts and greater variance in charter schools. The ratio between school district instruction and support personnel is, except for two rural counties, approximately 1 to 1. The ratio of school district leadership, to include the superintendent's staff and school principals and staff varies more so.



*School Staff Meeting*

Exhibit 2.3 summarizes Nevada school district staff breakouts and ratios reported for the audit.

**Exhibit 2.3**

**School District Staff Breakout and Ratios  
2022**

School District	Staff Breakout			Ratio Ldrship:Staff 1:#	Ratio Instr:Support <sup>a</sup> #:1
	# Admin / Leadership	# Classroom Instruction Staff	# Support Staff		
Carson City	79	527	255	9.9	1.6
Churchill	13	197	189	29.7	1.0
Clark	1,350	15,581	12,233	20.6	1.1
Douglas	40	394	368	19.1	1.0
Elko	50	598	455	21.1	1.2
Esmeralda	4	11	1	2.9	2.2
Eureka	4	32	31	15.8	0.9
Humboldt	19	187	230	22.0	0.7
Lander	6	70	95	27.5	0.7
Lincoln	9	74	61	15.0	1.1
Lyon	57	540	425	16.9	1.1
Mineral	4	45	57	25.5	0.7
Nye	26	451	299	28.8	1.4
Pershing	11	79	32	10.1	1.8
Storey	4	39	25	16.1	1.3
Washoe	466	4,104	2,560	14.3	1.4
White Pine	24	59	18	3.2	1.4

Source: DIA analysis of information submitted pursuant to Executive Order.

Note: <sup>a</sup> Support includes Support Staff and Administrative/Leadership Staff.

Charter School Staffing  
Varies Significantly

Review of data reported by charter schools shows staffing ratios vary significantly. Leadership to staff ratios range from 1:76 – 1:1 with an average of 1:14. Instruction to support staff ratios range from 24:1 – 0.7:1 with an average of 3:1. The unique nature and focus of each charter school may account for the staff variances; however, further analysis would be necessary to assess specific causes and subsequent effects of the variances. Such a review would be able to identify potential recommendations to achieve enhanced efficiencies and effectiveness of charter school staffing. The review would be consequential for conducting oversight of the state’s \$2.6 billion investment in public education and the enhanced revenues for charter school funding.

Exhibit 2.4 summarizes Nevada charter school staff breakouts and ratios reported for the audit.

**Exhibit 2.4**

**Charter Schools Staff Breakout and Ratios  
2022**

Sponsor	Charter School	Staff Breakout			Ratio Ldrship:Staff 1:#	Ratio Instr:Support #:1
		# Admin / Leadership	# Classroom Instruction Staff	# Support Staff		
CarsonSD	Carson Montessori	1	17	5	22.0	3.4
CCSD	100 Acad. of Excel.	1	18	10	28.0	1.8
CCSD	Explore Knwldge Acad.	3	31	31	20.7	1.0
CCSD	Innovations Int'l	3	40	34	24.7	1.2
CCSD	Odyssey Charter Sch.	12	102	37	11.6	2.8
CCSD	Rainbow Dreams Acad.	2	4	3	3.5	1.3
CCSD	The Delta Academy	4	22	15	9.3	1.5
SPCSA	Girls Empowerment MS	4	7	3	2.5	2.3
SPCSA	Alpine Academy	1	10	1	11.0	10.0
SPCSA	Doral Acad. No. NV	2	45	10.5	27.8	4.3
SPCSA	Elko Inst. Acad. Achv.	2	10	3	6.5	3.3
SPCSA	Futuro Academy	2	23	13	18.0	1.8
SPCSA	Learning Bridge	1	10	6	16.0	1.7
SPCSA	Mater Acad. No. NV	5	32.5	6	7.7	5.4
SPCSA	NV St. HS-M'wood	1	1	0	1.0	0.0
SPCSA	Oasis Academy	2	73	18	45.5	4.1
SPCSA	Pinecrest Acad. No. NV	8	48	10	7.3	4.8
SPCSA	Quest Academy	7	29	18	6.7	1.6
SPCSA	Amplus Academy	8	153	34	23.4	4.5
SPCSA	Beacon Acad. of NV	4	20	16	9.0	1.3
SPCSA	CIVICA Academy	6	28	31	9.8	0.9
SPCSA	Coral Acad. of Sci. LV	30	175	71	8.2	2.5
SPCSA	Democracy Prep. NV	1	55	21	76.0	2.6
SPCSA	Discovery Charter Sch.	3	26	22	16.0	1.2
SPCSA	Doral Academy of NV	20	383	184	28.4	2.1
SPCSA	Equipo Academy	7	73	7.5	11.5	9.7
SPCSA	Explore Academy	1	10	6	16.0	1.7
SPCSA	Founders Acad. of LV	2	50	13.5	31.8	3.7
SPCSA	Freedom Classical Acad.	7	57	12	9.9	4.8
SPCSA	Honors Acad. of Lit.	2	10	6	8.0	1.7
SPCSA	Imagine Sch. Mtn. View	6	31	20	8.5	1.6
SPCSA	Leadership Acad. of LV	3	13.5	2.5	5.3	5.4
SPCSA	Legacy Traditional	7	188	134	46.0	1.4
SPCSA	Mater Academy	58	316	262	10.0	1.2
SPCSA	NV Connections Acad.	11	38	5	3.9	7.6
SPCSA	Nevada Prep	2	16.5	3.5	10.0	4.7
SPCSA	Nevada Rise Academy	2	24	6	15.0	4.0
SPCSA	NV State High School	6	13	18	5.2	0.7
SPCSA	Nevada Virtual Acad.	11	54	26	7.3	2.1
SPCSA	Pinecrest Academy	80	446	194	8.0	2.3
SPCSA	Signature Prep	2	53	23	38.0	2.3
SPCSA	Silver Sands Mont.	4.5	15	1	3.6	15.1
SPCSA	Somerset Acad. of LV	28	497	254	26.8	2.0
SPCSA	Sports Ldr. & Mgt. Acc.	23	80	36	5.0	2.2
SPCSA	TEACH Las Vegas	1	8	4	12.0	2.0
WCSD	Acad. for Career Ed.	3	9	2.5	3.8	3.6
WCSD	Bailey Charter School	1	6	1	7.0	6.0
WCSD	Coral Acad. of Sci Reno	10	96	4	10.0	24.0
WCSD	EnCompass Academy	1	5	1	6.0	5.0
WCSD	High Desert Montessori	2	21	32	26.5	0.7
WCSD	Mariposa Dual Lang.	1	26	6	32.0	4.3
WCSD	Sierra Nevada Acad.	2	12	6.5	9.3	1.8

Source: DIA analysis of information submitted pursuant to Executive Order.

## **Profile Data Point to Opportunities for Enhanced Efficiencies and Effectiveness**

Review of reported profile data points to opportunities for enhanced efficiencies and effectiveness from re-imagined school district organizations. There is redundancy in administrative and support funding in many of Nevada's smaller, rural school districts that can least afford avoidable costs. Sharing these costs could save significant amounts of funding that could be redirected to instruction and increased resources in the classroom for students in rural Nevada.

### Shared Services Model Offers Alternative to Rural School Districts

Conceptually, school districts have an opportunity to re-configure their organizational structure for supporting public education in rural areas. District size has constrained rural school districts from providing adequate instructional staff and the range of curriculum offered in urban schools. A shared services model would first and foremost allow elimination of costly, redundant support services. These support services are performed in multiple administrative offices that include fiscal services, human resources, and information technology. Sharing costs for redundant services would achieve savings for participating rural county school districts and free up resources that could be redirected into the instructional environment, be it a classroom, virtual learning, or technical and career learning setting.

### Possible Next Avenues for Exploration

The audit has discerned that state and local education leaders are looking for, and open to, new and alternative constructs for providing the best education opportunities to Nevada's students. A shared services model arrangement has precedent. New York and Colorado allow the formation of a Board of Cooperative Educational Services (BOCES). Legislation in these states permits independent organizations to be created so local area school districts can pool resources, share costs, build programs, and then access needed services at a more affordable rate.

New York and Colorado vary slightly in their approach. Generally, a BOCES can be formed by two or more school districts that have a common need for some specialized education support service. The services a BOCES might provide include financial, technological, operational, curricular, instructional, and professional learning. A BOCES is governed by a board composed of representatives from member school districts. The board for a particular BOCES typically adopts the policies needed to guide operations. In some cases, a BOCES may have a tiered system of membership. In return for a larger annual contribution, full members have access to the full array of BOCES services. In return for a more modest annual contribution, associate members have access to a more-restricted array of services. In New York and Colorado, school district membership is on an "opt-in" basis.



## ***Accountability through Discipline is an Occasionally Used Tool***

Reported uses of disciplinary action to achieve individual accountability is an occasionally used tool by Nevada’s school districts and charter schools. Exhibit 2.5 summarizes disciplinary action for public school instructional staff in 2022.

### **Exhibit 2.5**

#### **Documented Disciplinary Action for Instructional Staff, 2022**

	Performance	Other
Districts	10	6
Charter Schools	21	22

Source: DIA analysis of information submitted pursuant to Executive Order.

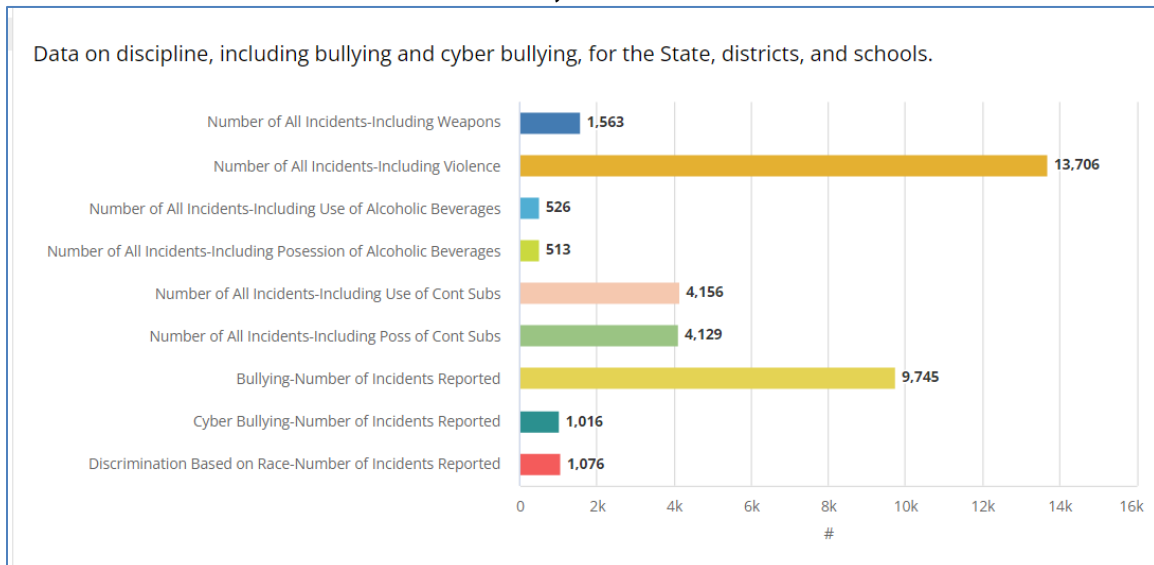
In Calendar Year 2022:

- .06% of school district teachers received documented disciplinary action for performance or other infractions (16 of 27,123 teachers).
- 1.7% of charter school teachers received documented disciplinary action for performance or other infractions (43 of 2,536 teachers).

Exhibit 2.6 details student infractions.

### **Exhibit 2.6**

#### **Documented Disciplinary Action for Nevada Students, School Year 2021-2022**



Source: NDE, Nevada Report Card, November 2021-2022.

In School Year 2021-2022:

- 7.5% of Nevada students received documented disciplinary action for various infractions (36,430 of 486,682 students).

## Teacher Compensation Varies Across the State

Nevada’s public school teacher compensation varies across the state because each school district negotiates contracts and salary schedules for teachers. The starting salary varies for an entry level teacher among Nevada’s school districts.<sup>6</sup> The lowest starting salary is in Churchill County at just over \$39,000 and the highest starting salary is in Eureka County at almost \$60,000, both rural school districts. See Exhibit 2.7 for a comparison of starting teacher salary compensation among school districts.

### Exhibit 2.7

#### Starting Teacher Salary Compensation Among School Districts School Year 2022 – 2023

Rank	Base Salary Start	County	Base Salary Start Highest to Lowest
1		Eureka	\$ 59,720
2		Clark	\$ 50,115
3		Lander	\$ 47,095
4		Humboldt	\$ 46,024
5		Pershing	\$ 44,321
6		Lyon	\$ 43,348
7		Douglas	\$ 43,341
8		Carson City	\$ 43,297
9		Esmeralda	\$ 43,052
10		White Pine	\$ 42,868
11		Lincoln	\$ 42,863
12		Elko	\$ 42,856
13		Nye	\$ 42,454
14		Washoe	\$ 41,080
15		Storey	\$ 40,715
16		Mineral	\$ 39,813
17		Churchill	\$ 39,271



Source: DIA analysis of 2022-2023 school district compensation.

Note: Douglas County and White Pine County salaries are for 2023-2024.

Note: Base salary for a teacher with a Bachelor of Arts.

<sup>6</sup> Certified Teacher with a B.A. at Step 0- or 0-years’ experience or Class 1 Step 1.

Recent Salary Negotiations in Clark and Washoe Counties  
Will Increase Teacher Salaries in the Coming Years

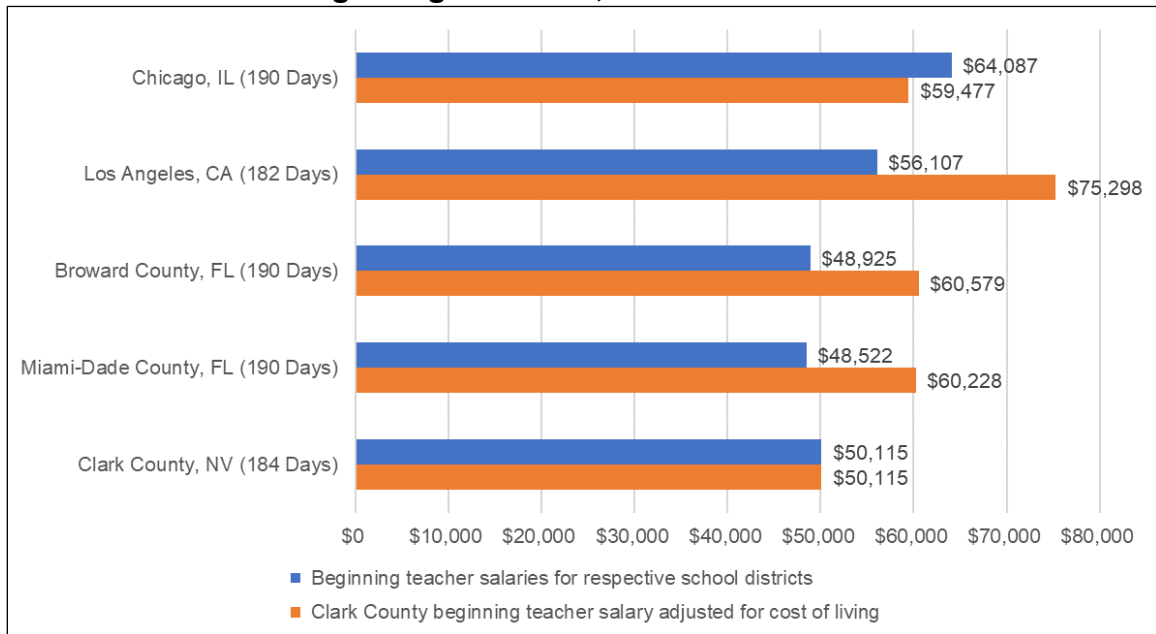
The variance in starting teacher salary is noteworthy in the state’s two urban counties. Recent teacher contract negotiations in Clark and Washoe Counties with raises of approximately 20% will help in relation to comparable school districts. Raising teacher compensation has been a long-time goal for Nevada’s Governors, Legislature, and other leaders; all recognize the value and imperative of attracting and retaining qualified and committed teachers in the classroom. The audit comparison is limited to Nevada’s two urban counties because they employ approximately 88% of all teachers in the state with the greatest impact on the state’s \$2.6 billion additional investment in public education.

**Clark County Beginning Teacher Compensation Competitive with Comparable Districts**

Beginning school teacher compensation in Clark County compares favorably with other large urban school districts, especially when cost of living adjustments are applied. Exhibit 2.8 summarizes beginning teacher compensation in Clark County and four other large urban school districts.

**Exhibit 2.8**

**Urban School District Annual Compensation Comparison  
Beginning Teachers, School Year 2023**

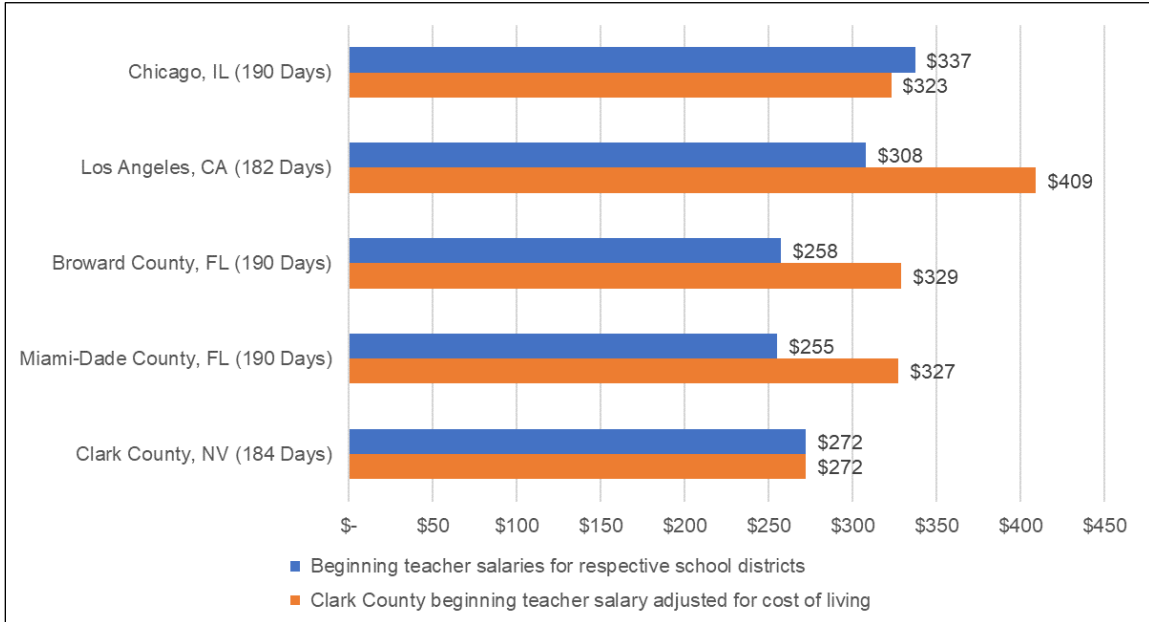


Source: Forbes Advisor, Cost of Living in USA Average, USA and 2023 public school salary schedules.

Clark County beginning teacher compensation comparisons remain consistent when calculated as a daily rate. Exhibit 2.9 summarizes beginning teacher compensation as a daily rate in Clark County and four other large urban school districts.

**Exhibit 2.9**

**Urban School District Daily Rate Compensation Comparison  
Beginning Teachers, School Year 2023**



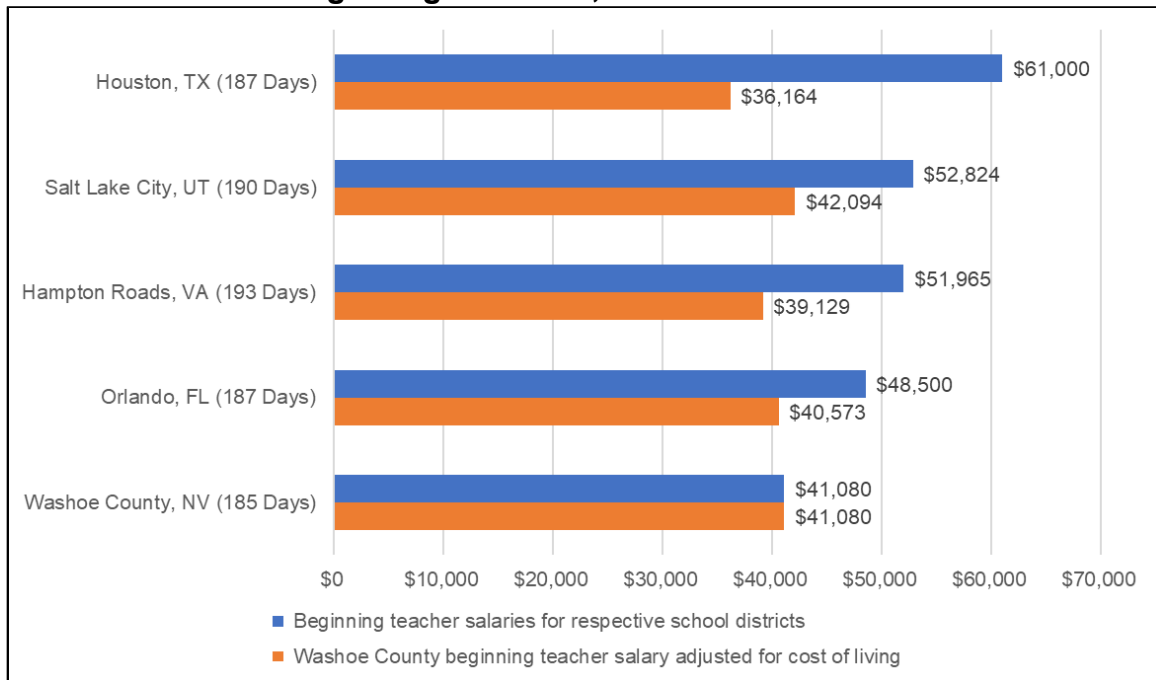
Source: Forbes Advisor, Cost of Living in USA Average, USA and 2023 public school salary schedules.

## Washoe County Beginning Teacher Compensation Less Competitive with Comparable Districts

Beginning school teacher compensation in Washoe County compares less favorably with that in other urban school districts with a similar size student population, especially when cost of living adjustments are applied. Exhibit 2.10 summarizes beginning teacher compensation in Washoe County and four other urban school districts with a similar size student population.

### Exhibit 2.10

#### Urban School District Annual Compensation Comparison Beginning Teachers, School Year 2023

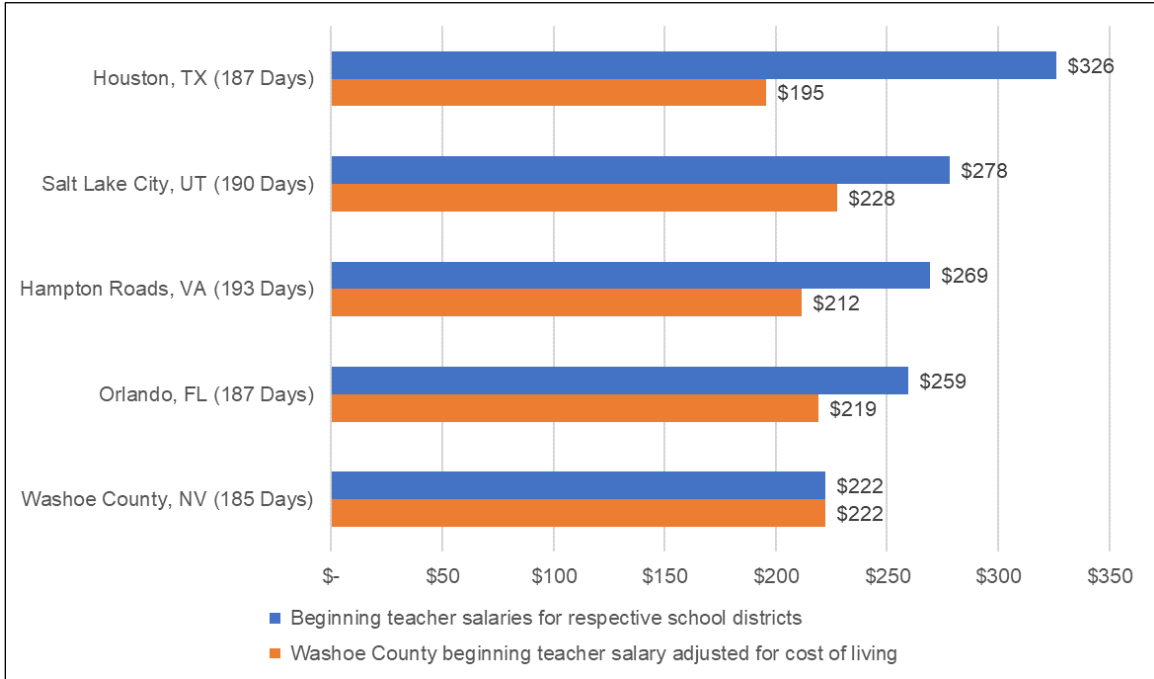


Source: Forbes Advisor, Cost of Living in USA Average, USA and 2023 public school salary schedules.

Washoe County beginning teacher compensation comparisons remain consistent when calculated as a daily rate. Exhibit 2.11 summarizes beginning teacher compensation as a daily rate in Washoe County and four other urban school districts with similar sized student populations.

**Exhibit 2.11**

**Urban School District Compensation Daily Rate Comparison  
Beginning Teachers, School Year 2023**



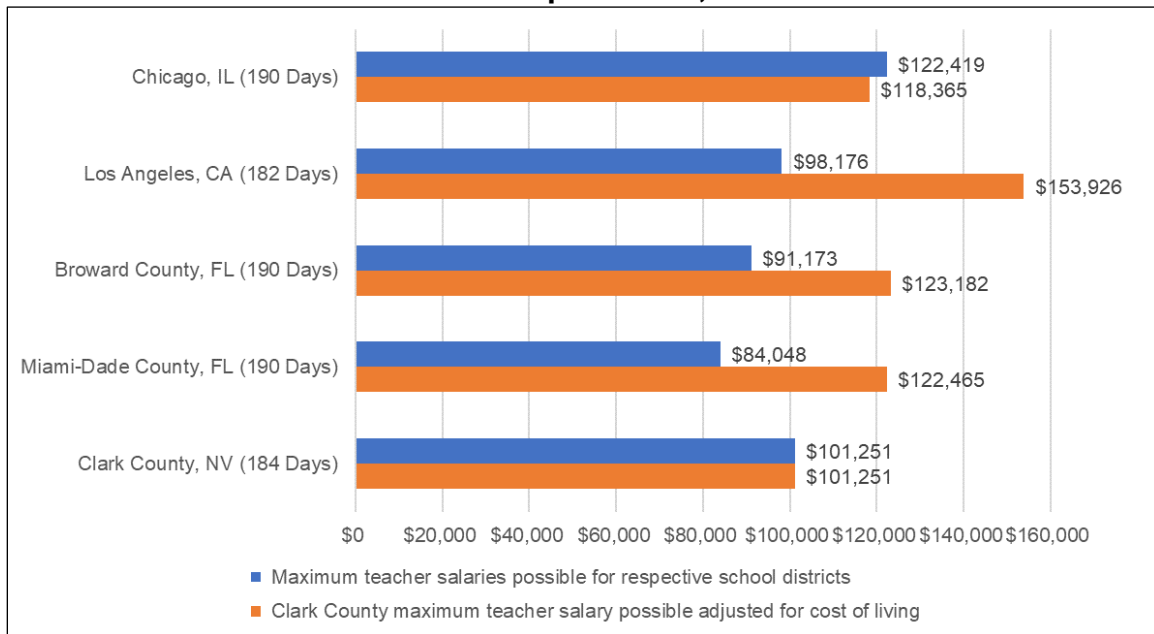
Source: Forbes Advisor, Cost of Living in USA Average, USA and 2023 public school salary schedules.

## Clark County Maximum Teacher Compensation Competitive with Comparable Districts

Maximum teacher compensation in Clark County compares favorably with other large urban school districts, especially when cost of living adjustments are applied. Exhibit 2.12 summarizes maximum teacher compensation in Clark County and four other large urban school districts.

### Exhibit 2.12

#### Urban School District Annual Compensation Comparison Teacher Maximum Compensation, School Year 2023

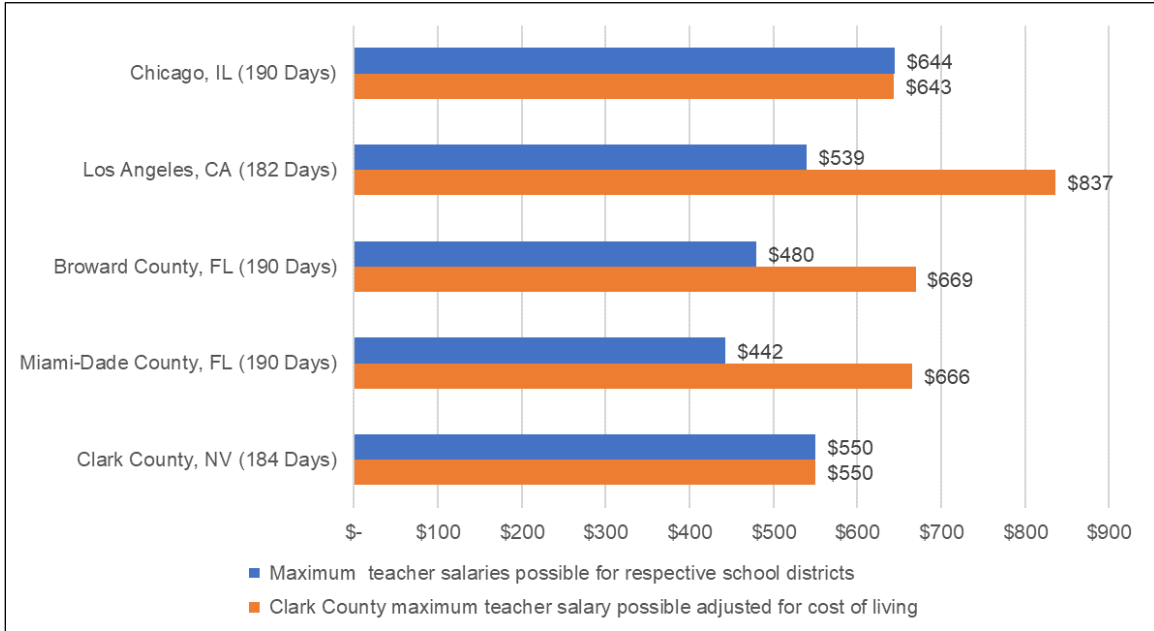


Source: Forbes Advisor, Cost of Living in USA Average, USA and 2023 public school salary schedules.

Clark County maximum teacher compensation comparisons remain consistent when calculated as a daily rate. Exhibit 2.13 summarizes teacher maximum compensation as a daily rate in Clark County and four other large urban school districts.

**Exhibit 2.13**

**Urban School District Daily Rate Compensation Comparison  
Teacher Maximum Compensation, School Year 2023**



Source: Forbes Advisor, Cost of Living in USA Average, USA and 2023 public school salary schedules.

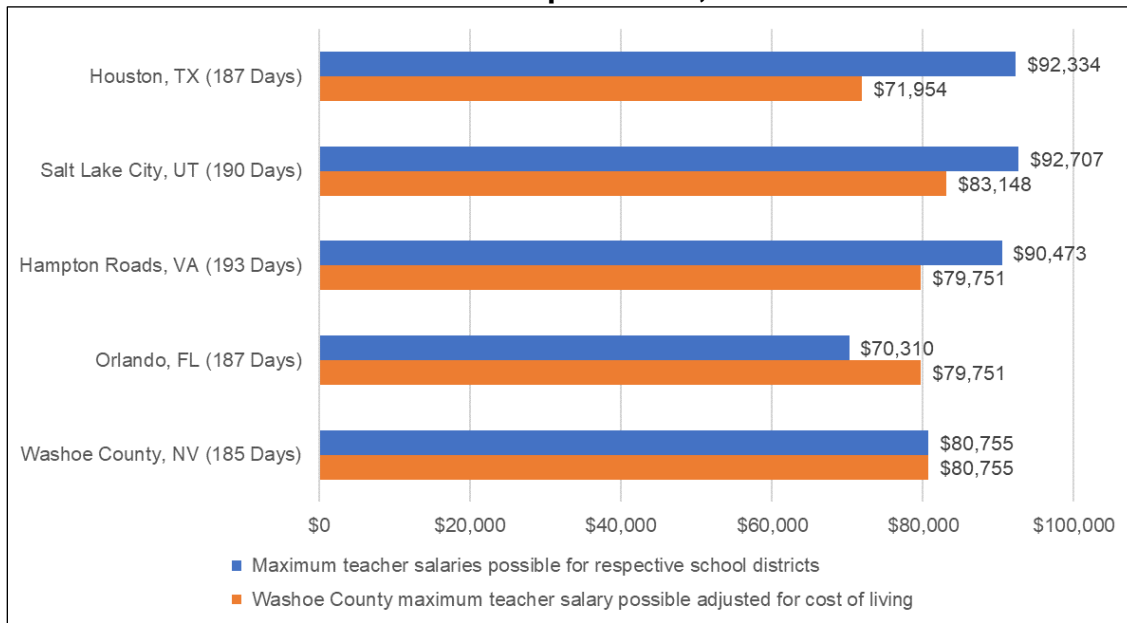


## Washoe County Teacher Maximum Compensation Less Competitive with Comparable Districts

Maximum teacher compensation in Washoe County compares less favorably with other urban school districts with a similar size student population, especially when cost of living adjustments are applied. Exhibit 2.14 summarizes beginning teacher compensation in Washoe County and four other urban school districts with a similar size student population.

### Exhibit 2.14

#### Urban School District Annual Compensation Comparison Teacher Maximum Compensation, School Year 2023

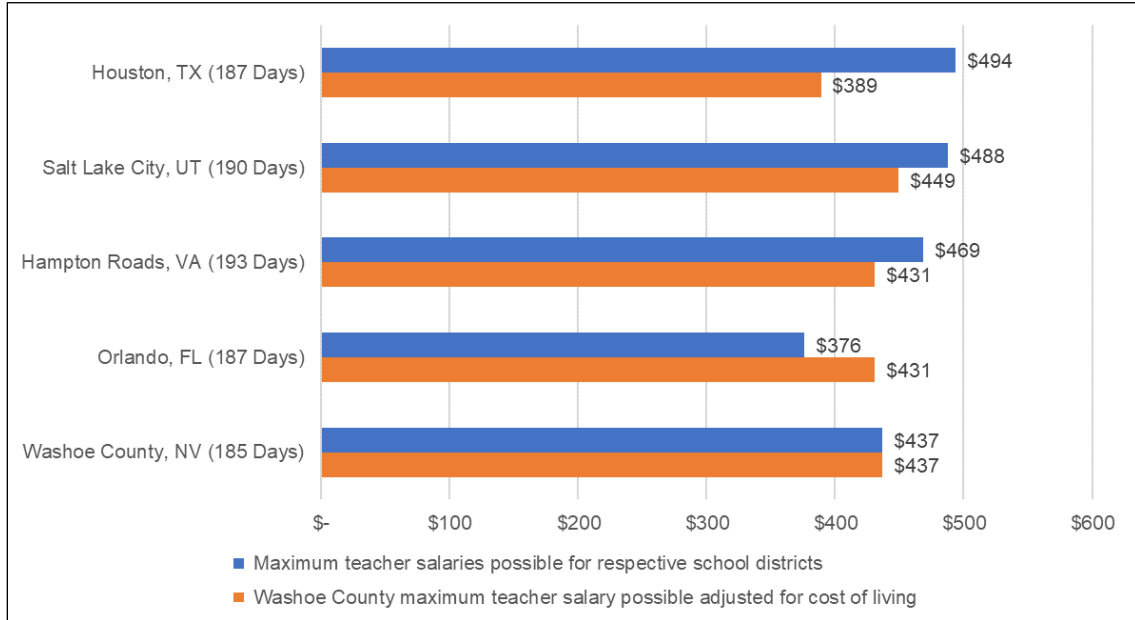


Source: Forbes Advisor, Cost of Living in USA Average, USA and 2023 public school salary schedules.

Washoe County teacher maximum compensation comparisons remain consistent when calculated as a daily rate. Exhibit 2.15 summarizes teacher maximum compensation as a daily rate in Washoe County and four other urban school districts with similar sized student populations.

**Exhibit 2.15**

**Urban School District Annual Compensation Comparison  
Teacher Maximum Compensation, School Year 2023**



Source: Forbes Advisor, Cost of Living in USA Average, USA and 2023 public school salary schedules.

## ***Student Achievement Not Necessarily Dependent on Dollars Spent***

The consensus among education professionals interviewed for this audit is that greater investment in instruction will result in higher achievement by students. There are many factors which contribute to a student's success, including teacher quality, acquiring basic academic skills, instructional environment, and the amount of support provided to students throughout their academic career.<sup>7</sup>

While all stakeholders agree it is imperative that greater investment be made in public education, the investment alone is not sufficient to ensure Nevada students will be successful. NDE and SPCSA's responsibilities include ensuring the \$2.6 billion investment in public education is invested with clear guidelines, monitoring, and accountability that align with the state's education priorities.

Analysis shows that while Nevada's largest school district may have spent less than comparable urban school districts, achievement results exceeded some of those districts that spent more on public education.

### **General Fund Expenditures Varied for Clark and Washoe Compared to Similar Districts**

The Clark County School District (CCSD) and the Washoe County School District (WCSD) are Nevada's two largest school districts. However, they vary in size and student body demographics.<sup>8</sup> WCSD had 65,540 students enrolled in 119 schools for the 2021-2022 school year. The majority of students were white followed by Hispanic students.<sup>9</sup> CCSD had 310,556 enrolled students and 381 schools for the 2021-2022 school year. The majority of students were Hispanic.<sup>10</sup>

---

<sup>7</sup> National Bureau of Economic Research:

C. Kirabo Jackson and Claire Mackevius, "The Distribution of School Spending Impacts," 2021.

C. Kirabo Jackson, et.al., "The Effects of School Spending on Education Economic Outcomes," 2015.

C. Kirabo Jackson et.al., "The Effect of School Finance Reform on the Distribution of Spending, Academic Achievement, and Adult Outcomes," 2014

<sup>8</sup> Nevada Accountability Portal.

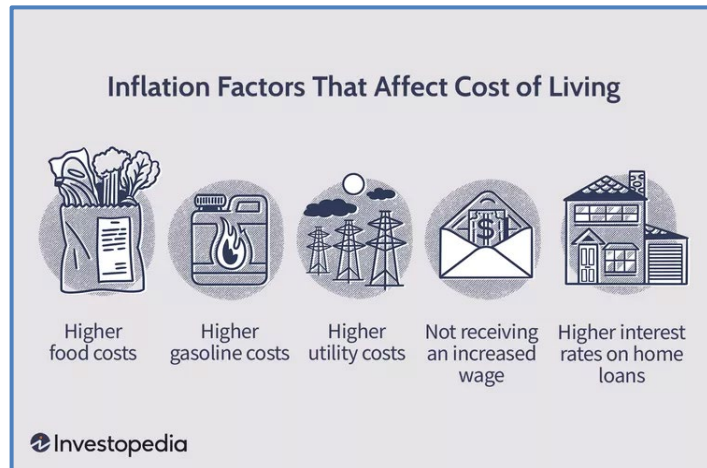
<sup>9</sup> WCSD Demographics: 42.41% White; 41.93% Hispanic; 6.26% Two or more races; 4.11% Asian; 2.62% Black; 1.45% Pacific Islander; and 1.22% American Indian/Alaskan Native.

<sup>10</sup> CCSD Demographics: 47.19% Hispanic; 21.6% White, 15.74% Black; 7.55% Two or more races; 5.95% Asian; 1.63% Pacific Islander; and 0.33% American Indian/Alaskan Native.

## Clark and Washoe School District Expenditures Adjusted for Cost of Living (COLA) to Compare with Other Districts

The per student general fund instruction and support expenditures for CCSD and WCSD were adjusted in each respective school district to compare the general fund expenditures for instruction and support with other similarly sized, large school districts.<sup>11</sup> COLA included the following categories:<sup>12</sup>

- Housing costs;
- Transportation costs;
- Healthcare costs; and
- Miscellaneous goods and services.



Results of the COLA show:

- The cost of living was approximately 18% to 50% less in CCSD than in the other similar districts.<sup>13</sup>
  - Cost of living was lowest in CCSD.
  - Chicago, IL, the next lowest district in the comparison had a cost of living 16% higher than CCSD.
  - Miami-Dade and Broward County School Districts, FL had a cost of living 17% higher than CCSD.<sup>14</sup>
  - Los Angeles Unified School District, CA had the highest cost of living 33% higher than CCSD.<sup>15</sup>

---

<sup>11</sup> Forbes Advisor was used to calculate the cost of living in respective districts. Cost of living items adjusted were housing, transportation, and utilities as noted on the Forbes website. The Annual Comprehensive Financial Reports (ACFR), Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended June 30, 2022, were used to obtain general fund instruction and support expenditure data for each school district of similar size to Clark County School District (CCSD) and Washoe County School District (WCSD).

<sup>12</sup> The number of adjustments for each cost-of-living category varied. Housing costs considered an area's home price, apartment rent, total energy, and phone bill. Transportation cost comparison considers the cost of gasoline and does not take other car related expenses into account. Healthcare costs include doctor, dentist, and optometrist visits as well as prescription drugs and the cost of ibuprofen. The miscellaneous goods and services category adjustment considers primarily common food items and shampoo. The cost-of-living calculator took the expenditure for the cost of support and instruction per student in Clark and Washoe County School District and determined the per student expenditures equivalence in the comparable districts.

<sup>13</sup> The school districts compared to Clark County School District were Broward County in Florida, City of Chicago in Illinois, Los Angeles Unified in California, and Miami-Dade County in Florida.

<sup>14</sup> Broward County encompasses Fort Lauderdale, FL.

<sup>15</sup> Los Angeles Unified, CA encompasses the Los Angeles – Long Beach, CA area.

- The cost of living in WCSD ranged from approximately 1% to 14% more than three of the four comparable districts and 2% less than the fourth district.
  - WCSD's cost of living was competitive compared to the other school districts.
  - Aldine Independent School District, TX (Houston) had a cost of living 14% lower than WCSD.
  - Virginia Beach City Public Schools, VA had a cost of living 5% lower than WCSD.
  - Seminole County School District, FL (Orlando) had a cost of living 1% lower than WCSD.
  - Granite School District, UT (Salt Lake City) had a cost of living 2% higher than WCSD.

CCSD and WCSD Invested the Least Amount of Dollars Per Student

CCSD and WCSD both invested the least amount of general fund instruction and support dollars per student when compared to other districts of similar size without cost of living adjustments. See Exhibit 2.16 for CCSD General Fund Instruction and Support Expenditures 2021-2022 Comparison and Exhibit 2.17 for WCSD General Fund Instruction and Support Expenditures 2021-2022 Comparison.

**Exhibit 2.16  
CCSD General Fund Instruction and Support Expenditures 2021-2022 Comparison**

School District	Per Student General Fund Expenditures	Clark Per Student General Fund Expenditures Adjusted for COLA in Other Districts
Clark County	\$7,194	\$7,194
Broward County	\$9,156	\$8,696
Miami-Dade County	\$9,737	\$8,646
City of Chicago	\$22,437	\$8,538
Los Angeles Unified	\$23,172	\$10,809

Source: Annual Comprehensive Financial Reports (ACFR), Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended June 30, 2022, and Forbes Advisor, Cost of Living in USA Average, USA.

**Exhibit 2.17**

**WCSD General Fund Instruction and Support Expenditures  
2021-2022 Comparison**

School District	Per Student General Fund Expenditures	Washoe Per Student General Fund Expenditures Adjusted for COLA in Other Districts
Aldine ISD	\$8,874	\$6,564
Virginia Beach City	\$12,570	\$7,102
Washoe County	\$7,456	\$7,456
Seminole County	\$7,755	\$7,364
Granite	\$10,008	\$7,640

Sources: Annual Comprehensive Financial Reports (ACFR), Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended June 30, 2022, and Forbes Advisor, Cost of Living in USA Average, USA.

CCSD and WCSD Invested the Least  
Amount of Instruction Dollars Per Student

CCSD and WCSD both invested the least amount of general fund instruction dollars per student when compared to the other districts of similar size. After removing expenditures for support and only considering instruction expenditures, both CCSD and WCSD spent more of their per student dollars on instruction than support expenditures. When only considering the amount spent on instruction expenditures for the 2021-2022 school year, CCSD spent \$4,120 per student; WCSD spent \$4,184 per student for the same school year. WCSD spent approximately 56% of their instruction and support expenditure on instruction.<sup>16</sup> CCSD spent approximately 57% of their instruction and support expenditure on instruction.<sup>17</sup>

See Exhibit 2.18 for CCSD General Fund Instruction Expenditures 2021-2022 Comparison and Exhibit 2.19 for WCSD General Fund Instruction Expenditures 2021-2022 Comparison.<sup>18</sup>

---

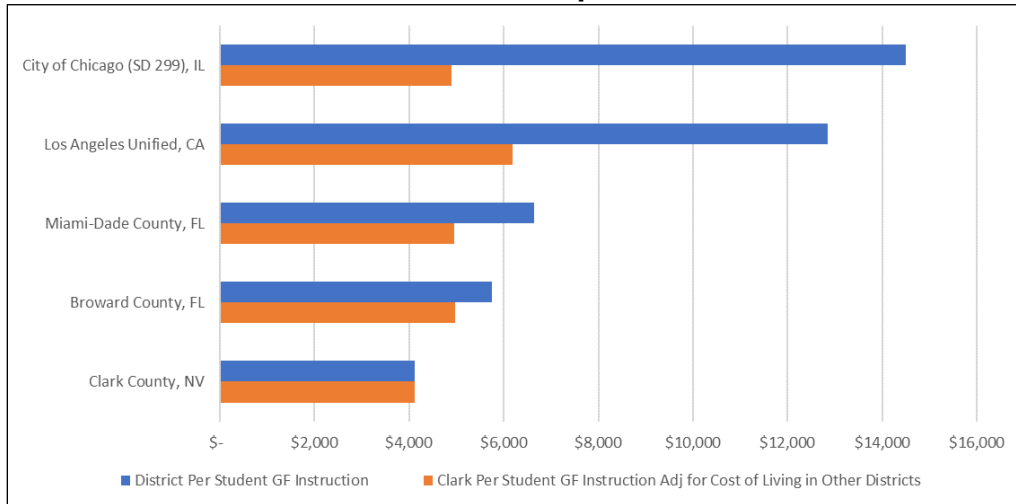
<sup>16</sup> \$4,184/\$7,456 = 56.12%

<sup>17</sup> \$4,120/\$7,194 = 57.27%

<sup>18</sup> CCSD and WCSD expenditure information differs between that reported on the NDE 387 Report and ACFR. This variance between Exhibit 2.1 and 2.18 is addressed in Chapter 3 of this audit report.

**Exhibit 2.18**

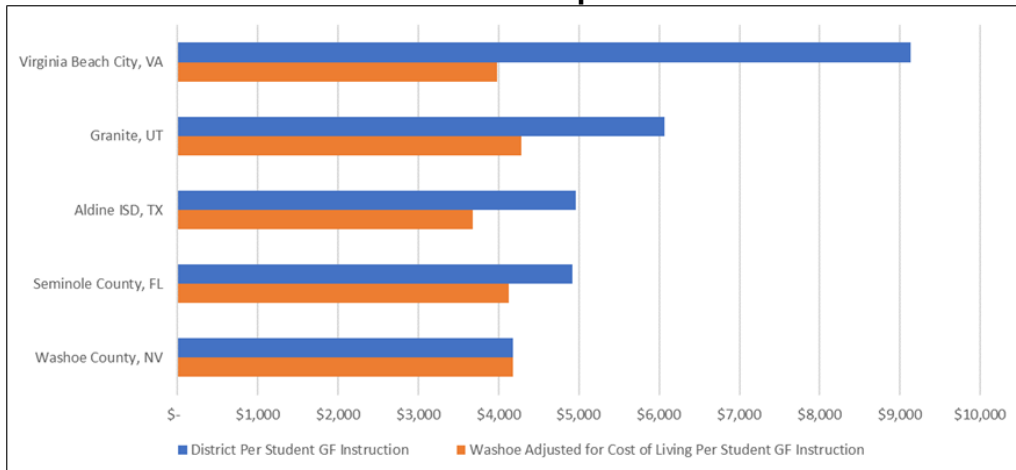
**CCSD General Fund Instruction Expenditures  
2021-2022 Comparison**



Source: Annual Comprehensive Financial Reports (ACFR), Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended June 30, 2022, and Forbes Advisor, Cost of Living in USA Average, USA.

**Exhibit 2.19**

**WCSD General Fund Instruction Expenditures  
2021-2022 Comparison**



Source: Annual Comprehensive Financial Reports (ACFR), Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended June 30, 2022, and Forbes Advisor, Cost of Living in USA Average, USA.

## **National Assessment of Educational Progress (The Nation's Report Card) Provides Insight into Investments and Outcomes**

The National Assessment of Educational Progress (NAEP), also known as The Nation's Report Card, is the largest nationally representative and continuing assessment of student achievement in the United States.<sup>19</sup> NAEP has been a common measure of student achievement in mathematics, reading, science, and other subjects since 1969. NAEP report cards provide national, state, and some district-level results, as well as results for different demographic groups.



### NAEP Results Focused on Large School Districts

In 2002, NAEP began to report, on a trial basis, the results from several large urban districts who participate in the assessments after the release of state and national results. NAEP is a large-group assessment where each student takes only a small part of the overall assessment. In most schools, only a small portion of the total grade enrollment is selected to take the assessment. These students may not reliably or validly represent the total school population. Only when student scores are aggregated at the state or national level is the data considered a reliable estimate of student achievement.<sup>20</sup>

### **CCSD Student Achievement Compares Favorably to Districts of Similar Size**

CCSD student achievement compares favorably with similar size urban districts that participated in the Trial Urban District Assessment (TUDA). The standardization of the NAEP assessments makes it a reliable source to measure CCSD student achievement. The NAEP 2022 achievement level percentages for reading and mathematics (grades 4 and 8) were reviewed for the selected large districts and CCSD. NAEP scores for WCSD were not available due to the smaller student population.

---

<sup>19</sup> NAEP is a congressionally mandated project of the National Center for Education Statistics (NCES), located in the U.S. Department of Education's Institute of Education Sciences. The NAEP assessment is administered in every state, providing educators, policymakers, and parents with a universal measure of student achievement that allows for comparisons among state and participating urban districts.

Federal law states NAEP is voluntary for every student, school, school district, and state. However, federal law requires all states that receive Title I funds to participate in NAEP reading and mathematics assessments at grades 4 and 8. School districts, in nonparticipating states, that receive Title I funds and are selected for the NAEP sample are also required to participate in NAEP reading and mathematics assessments at 4th and 8th grades. The majority of states report NAEP results. Selected urban districts that participate in the Trial Urban District Assessment (TUDA) will also report NAEP results.

NAEP assessments are administered to representative samples of different student groups. The sample size for each assessment varies based on assessment design. NAEP assessments are nationally standardized for all students. State test standards are based on each state's curriculum standards. National NAEP results are reported as both scores and as percentages of students for each NAEP achievement level of NAEP Basic, NAEP Proficient and NAEP Advanced. Students performing at or above the *NAEP Proficient* level on NAEP assessments demonstrate solid academic performance and competency over challenging subject matter.

<sup>20</sup> School and student-level results are never reported.



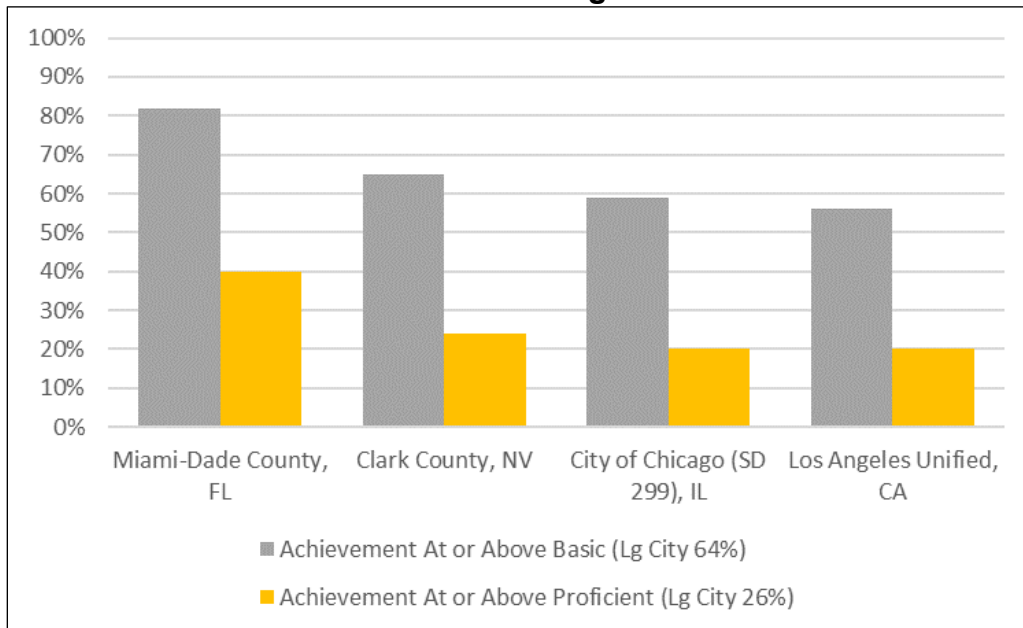
The NAEP 2022 achievement level percentages for reading and mathematics (grades 4 and 8) for CCSD were compared with other large school districts of similar size student populations that met the criteria for participating in the assessment (Miami-Dade County School District, FL; Los Angeles Unified School District, CA; and Chicago, IL).<sup>21</sup>

CCSD Grade 4 Achievement  
Similar to Large City School District Average

CCSD achieved Grade 4 Mathematics scores similar to the NAEP average for Large City school districts. The Large City achievement level at or above basic was 64% and 26% for at or above proficient. CCSD scored 65% at or above basic and 24% at or above proficient. CCSD scored higher than Chicago and Los Angeles but not as high as Miami-Dade County. Exhibit 2.20 summarizes NAEP student achievement percentages for Grade 4 Mathematics.

**Exhibit 2.20**

**NAEP Student Achievement Percentages for Grade 4 Mathematics**



Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2022 Mathematics Assessment.

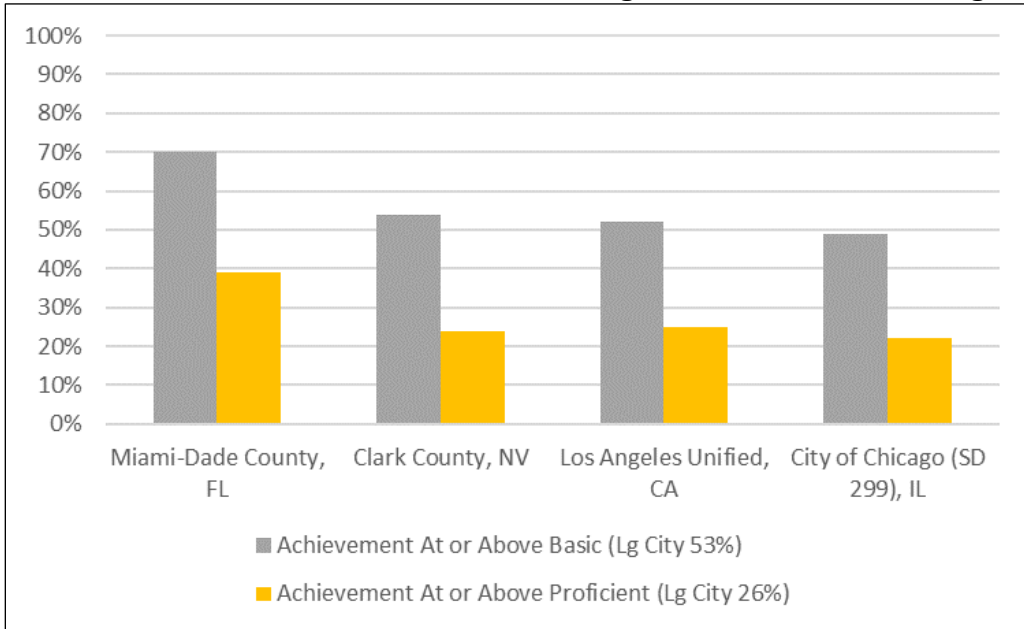
Note: Large City includes public school students from all cities in the nation with populations of 250,000 or more including the participating districts.

CCSD achieved Grade 4 Reading scores similar to the NAEP average for Large City school districts. The Large City achievement level at or above basic was 53% and 26% for at or above proficient. CCSD scored 54% at or above basic and 24% at or above proficient. CCSD scored higher than Chicago and Los Angeles but not as high as Miami-Dade County. Exhibit 2.21 summarizes NAEP student achievement percentage for Grade 4 Reading.

<sup>21</sup> U.S. Department of Education, Institute of Education Services, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2022 Mathematics and Reading Assessments.

**Exhibit 2.21**

**NAEP Student Achievement Percentages for Grade 4 Reading**



Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2022 Reading Assessment.

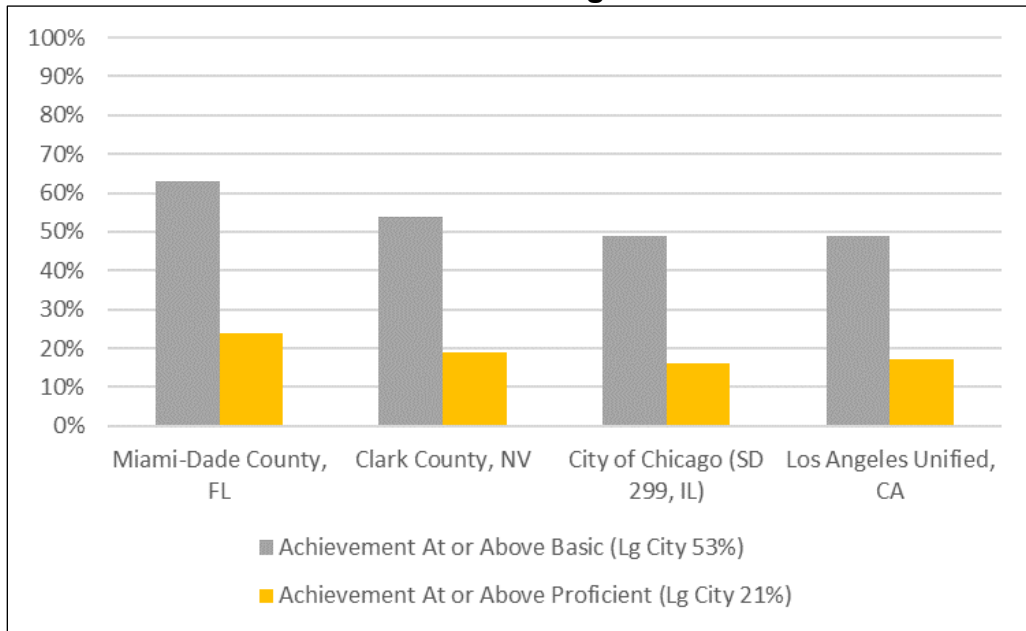
Note: Large City includes public school students from all cities in the nation with populations of 250,000 or more including the participating districts.

CCSD Grade 8 Achievement is Similar to Large City School District Average

CCSD achieved Grade 8 Mathematics scores similar to the NAEP average for Large City school districts. The Large City achievement level at or above basic was 53% and 21% for at or above proficient. CCSD scored 54% at or above basic and 19% at or above proficient. CCSD scored higher than Chicago and Los Angeles but not as high as Miami-Dade County. Exhibit 2.22 summarizes NAEP student achievement percentages for Grade 8 Mathematics.

**Exhibit 2.22**

**NAEP Student Achievement Percentages for Grade 8 Mathematics**



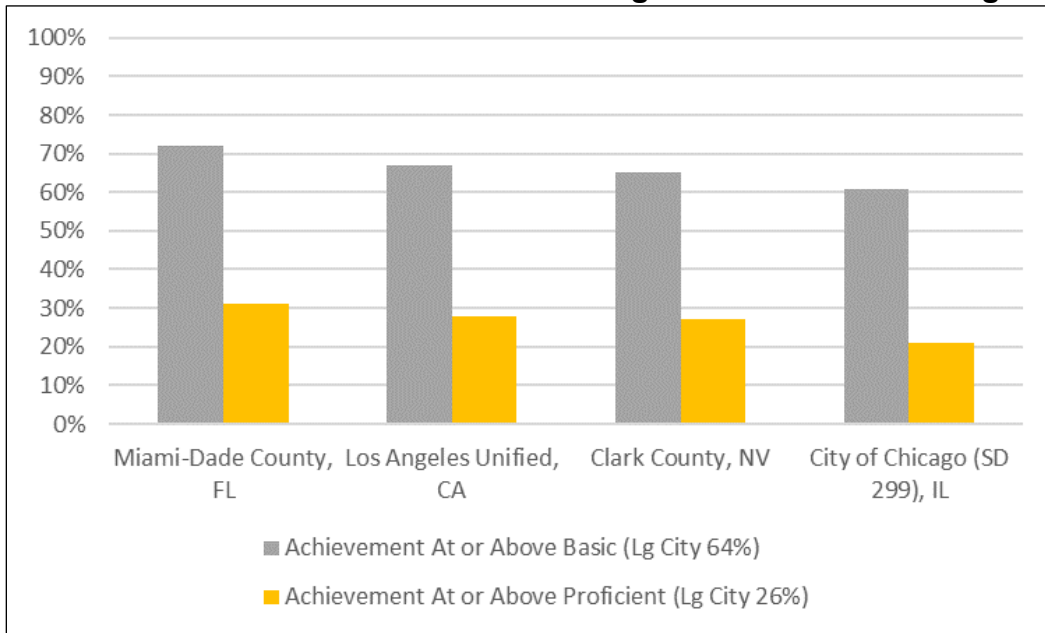
Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2022 Mathematics Assessment.

Note: Large City includes public school students from all cities in the nation with populations of 250,000 or more including the participating districts.

CCSD achieved Grade 8 Reading scores just above the NAEP average for Large City school districts. The Large City achievement level at or above basic was 64% and 26% for at or above proficient. CCSD scored 65% at or above basic and 27% at or above proficient. CCSD scored higher than Chicago but not as high as Miami-Dade County and Los Angeles. Exhibit 2.23 summarizes NAEP student achievement percentage for Grade 8 Reading.

**Exhibit 2.23**

**NAEP Student Achievement Percentages for Grade 8 Reading**



Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2022 Reading Assessment.

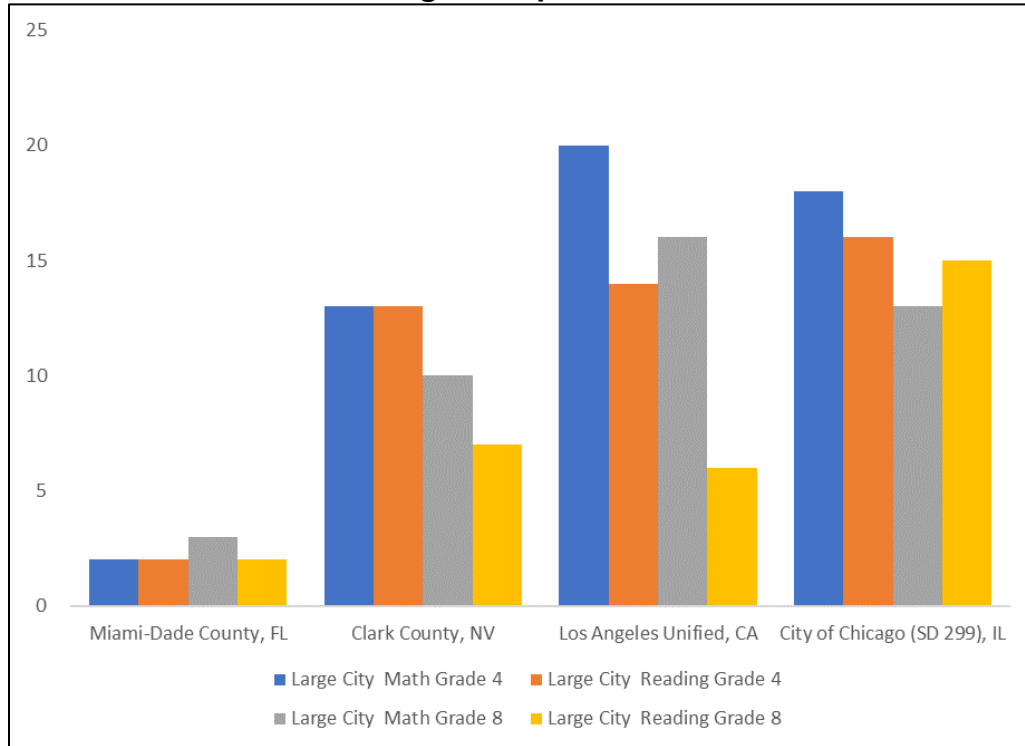
Note: Large City includes public school students from all cities in the nation with populations of 250,000 or more including the participating districts.

**NAEP Assessment Scores**  
**Determine School District Ranking**

The NAEP scores for grade 4 and 8 reading and mathematics were used to determine district rankings. The lower the number, the higher the achievement. Miami-Dade County rankings for mathematics and reading grades 4 and 8 were 2, 2, 3, and 2, respectively. CCSD ranking for mathematics and reading grades 4 and 8 were 13, 13, 10, and 7, respectively. Both Los Angeles and Chicago were ranked below CCSD for most categories; Grade 8 Reading was an exception as Los Angeles ranked 6 while CCSD was ranked 7. See Exhibit 2.24 for 2022 NAEP rankings.

## Exhibit 2.24

### National Assessment of Educational Progress (NAEP) Large City/District Rankings Comparison 2022



Source: DIA analysis of National Assessment of Educational Progress (NAEP) 2022 Mathematics and Reading Assessment Scores.

Note: NAEP comparison included 27 Large City/Districts nationally.

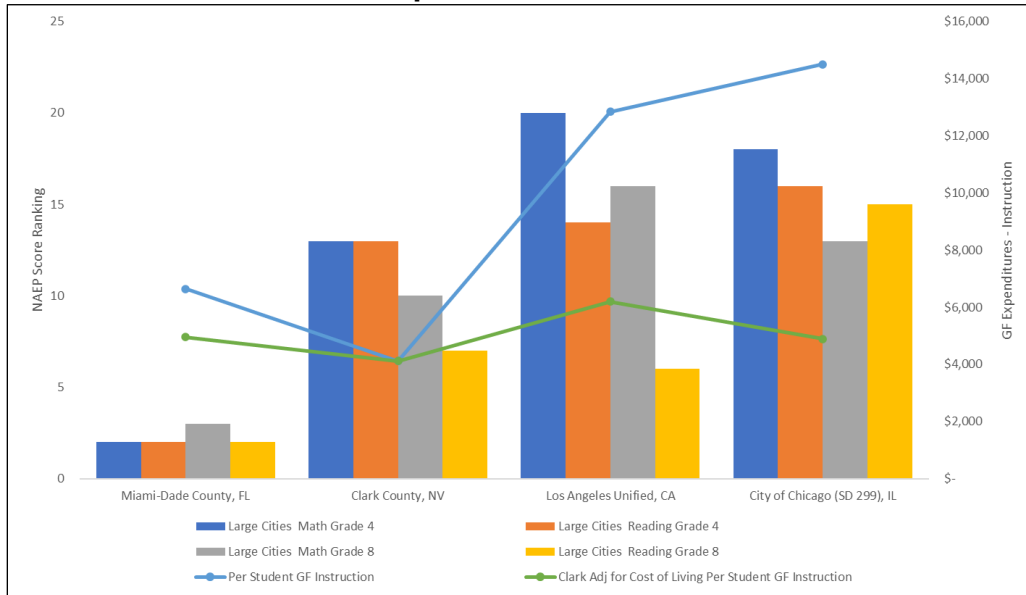
### Greater Expenditures Do Not Mean Higher Achievement Rankings

DIA compared the NAEP rankings to the per student general fund expenditures for instruction and support for 2022. Chicago and Los Angeles spent significantly more than CCSD and achieved mostly lower ranking results. These results evidence the amount of funding spent is not the only factor affecting student achievement levels. Miami-Dade County spent a similar amount to CCSD per student for both instruction and support but scored consistently higher. These results further support the notion that how funding per student is spent is a greater indicator of success than the amount spent alone.

See Exhibit 2.25 for NAEP Large City/District Rankings Compared to Adjusted Per Student General Fund Expenditures for Instruction in 2022 and Exhibit 2.26 for NAEP Large City/District Scores Compared to Adjusted Per Student General Fund Expenditures for Support 2022.

**Exhibit 2.25**

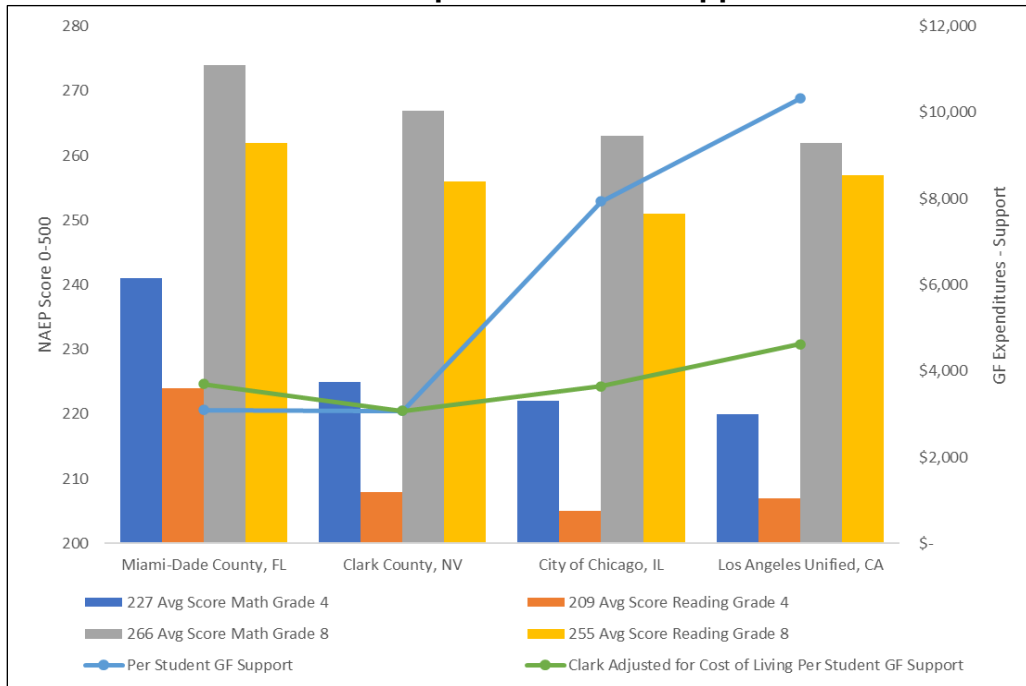
**NAEP Large City/District Rankings Compared to Adjusted Per Student General Fund Expenditures for Instruction 2022**



Sources: DIA analysis of National Assessment of Educational Progress (NAEP) 2022 Mathematics and Reading Assessment Scores and Annual Comprehensive Financial Reports (ACFR), Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended June 30, 2022.  
 Note: NAEP comparison included 27 Large City/Districts nationally.

**Exhibit 2.26**

**NAEP Large City/District Scores Compared to Adjusted Per Student General Fund Expenditures for Support 2022**



Sources: National Assessment of Educational Progress (NAEP) 2022 Mathematics and Reading Assessment Scores and Annual Comprehensive Financial Reports (ACFR), Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the fiscal year ended June 30, 2022.

## **Graduation Requirements Vary Across States and School Districts**

Graduation requirements vary across states and school districts. The different requirements may account for some of the variance between funding and graduation rates. For example:

- CCSD requires students to have 23 credits/units and have taken the ACT with writing during junior year to graduate.<sup>22</sup>
- LA Unified School District requires students to have earned 18.5 courses/units with a minimum D grade, and to have completed Service Learning and a Career path to be eligible to graduate.
- Miami-Dade County requires students to have a minimum of 24 courses/units, pass the Grade 10 Florida Comprehensive Assessment Test (FCAT), complete a community service project, and earn a minimum of a 2.0 cumulative grade point average.

Varying graduation requirements make it difficult to equitably assess student achievement on graduation rates alone. Along with different requirements, school districts vary in how students earn credits for graduation.

---

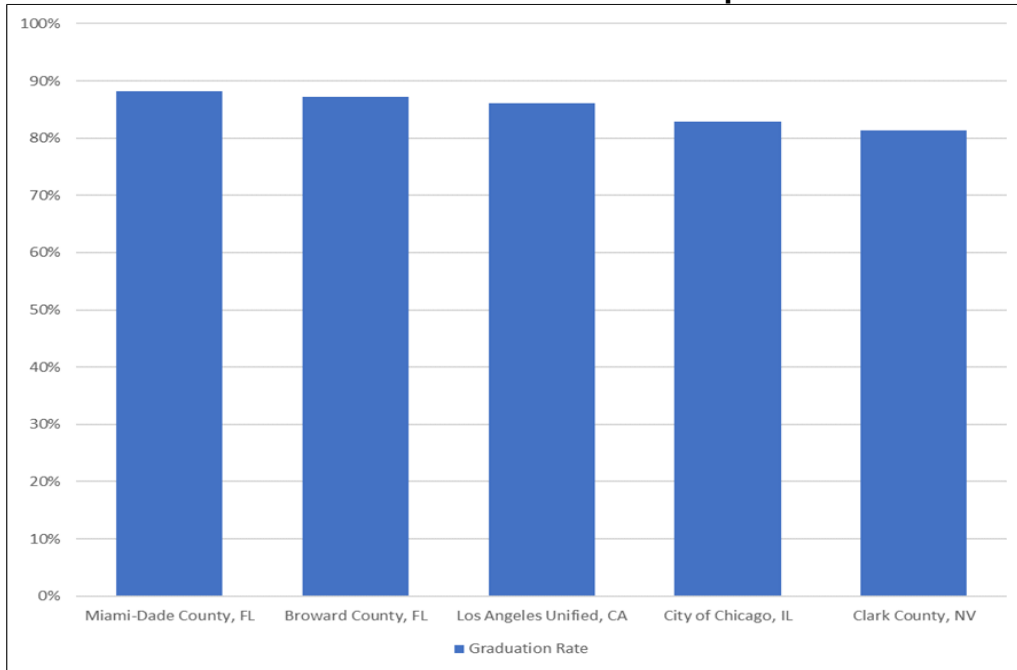
<sup>22</sup> Graduation requirements in Clark County are different for students pursuing the Alternative Diploma.

## Graduation Rates Mostly Align with Investment in Education

CCSD had the lowest graduation rate of 81% compared to the similar districts for school year 2022; CCSD also had the lowest amount of General Fund investment of the compared school districts. The graduation rates mostly align with General Fund investments in education except for Miami-Dade County, which had the second lowest investment amount to CCSD but the highest graduation rate. See Exhibit 2.27 for CCSD 2022 Graduation Rates Comparison.

### Exhibit 2.27

**CCSD 2022 Graduation Rates Comparison**



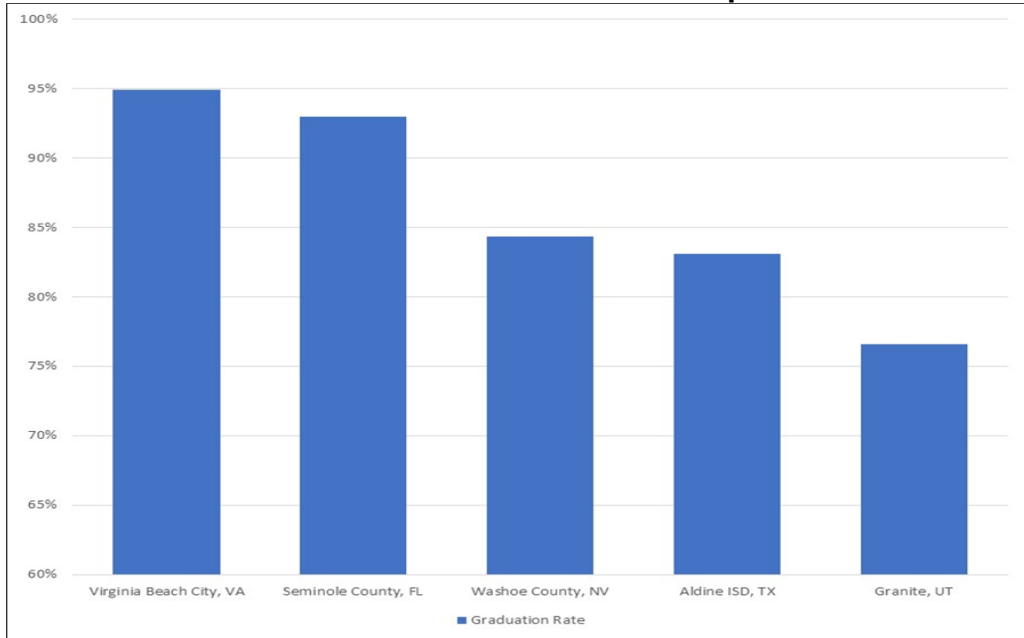
Source: Florida Department of Education, 2021-2022 District Report Cards; Los Angeles Unified, Open Data District at a Glance; Illinois State Board of Education, 2022 Report Card; and Nevada Department of Education, Press Release, Published November 17, 2022.



WCSD’s graduation rate of 84% falls mid-way compared to the similar districts for school year 2022; WCSD also had the mid-way amount of General Fund investment of the compared school districts. The graduation rates do not align with General Fund investments in education. The Granite School District (Salt Lake City) had the second highest amount of General Fund investment in education (Exhibit 2.19) but lowest graduation rate of the compared school districts. See Exhibit 2.28 for WCSD Graduation Rates Comparison.

**Exhibit 2.28**

**WCSD 2022 Graduation Rates Comparison**

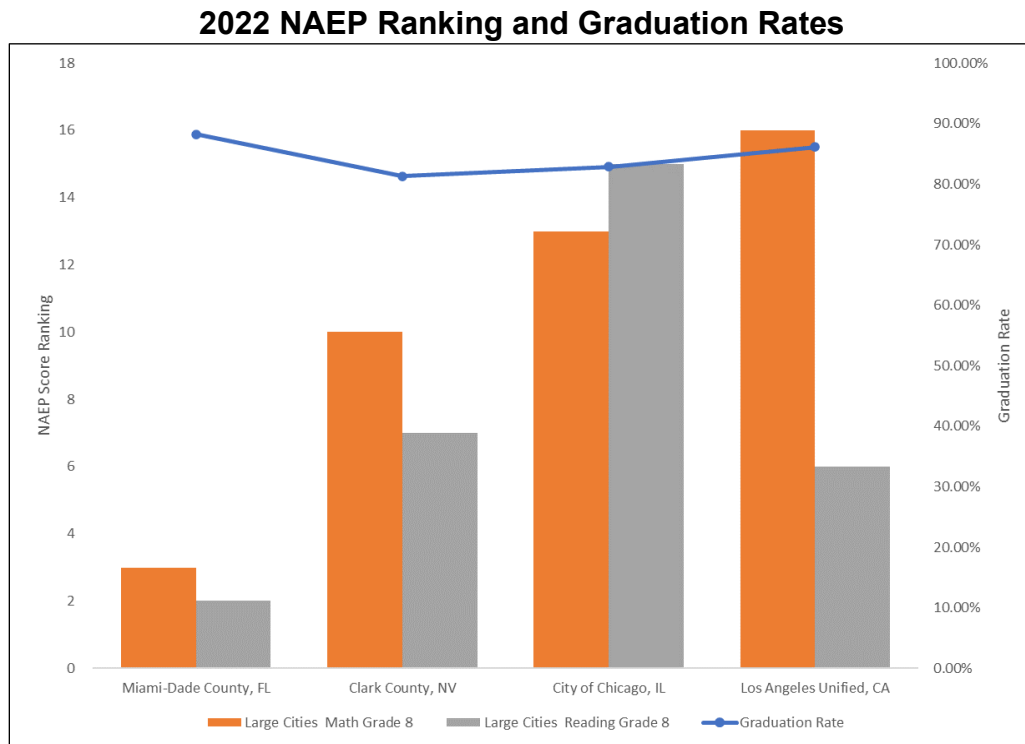


Sources: Virginia Beach City Public Schools, On-Time Graduation Rates; Florida Department of Education, 2021-2022 District Report Cards; Nevada Department of Education, Press Release, Published November 17, 2022; The Texas Tribune, 2021-2022 Public Schools Explorer; and Utah State Board of Education, 2021-2022 District Report Card.

## School Ranking Not Necessarily a Predictor of Graduation Rate

The NAEP ranking for a school district is not necessarily a predictor of the graduation rate. CCSD and the respective districts' graduation rates show this inconsistency. Miami-Dade had the highest graduation rates at 88% and the highest ranks for mathematics and reading proficiency. CCSD's graduation rate was 81%, lowest of the four districts compared but CCSD ranked second in mathematics and reading proficiency. See Exhibit 2.29 for 2022 NAEP Rankings and Graduation Rates.

### Exhibit 2.29



Sources: DIA analysis of National Assessment of Educational Progress (NAEP) 2022 Mathematics and Reading Assessment Scores and Nevada Department of Education, Press Release, Published November 17, 2022.

Note: NAEP comparison included 27 Large City/Districts nationally.

The school districts analyzed in Florida (Miami-Dade and Broward Counties) consistently scored higher on proficiency assessments and had a higher graduation rate for the school year reviewed. Miami-Dade School District spent a similar amount per student for instruction as CCSD. Miami-Dade School District may be a good resource for CCSD in determining how to best direct its portion of Nevada's \$2.6 billion investment in public education.

## Class Size Matters for Both Teachers and Students

There are benefits to having a smaller class size. The student-teacher ratio is the number of students per teacher in a regular classroom. There is no recognized standard for the appropriate number of students per teacher; however, class size can impact a student's success in the classroom.

The ratio of students to a teacher impacts the amount of personalized attention a student receives and has a direct impact on a student's quality of education, academic success, engagement, and learning outcomes. A teacher with a greater number of students will have more difficulty focusing on the strengths and weaknesses of each individual student and tailoring their teaching to the needs of individual students.<sup>23</sup> Additionally, teachers with more students will have a higher workload proportionate to the number of students they teach.

### CCSD and WCSD Have Higher Student-Teacher Ratio Than National Average

CCSD and WCSD have a higher student to teacher ratio than the national average of 15:1.<sup>24</sup> Washoe County had one more student per teacher than Clark County.

The student to teacher ratio in Clark County was approximately 18 students per teacher. The student to teacher ratio in Washoe County was approximately 19 students per teacher for grades PK-12 for the 2022 school year.<sup>25</sup> See Exhibit 2.30 for CCSD Student Teacher Ratio Comparison and Exhibit 2.31 for WCSD Student Teacher Ratio Comparison for School Year 2021-2022.

### Exhibit 2.30

#### CCSD Student Teacher Ratio Comparison 2021-2022 School Year

School District	Teachers	Students in Public Education	Ratio
National Average	3,211,973	49,342,118	1:15
Chicago	22,797	329,836	1:14
Clark County	17,378	315,787	1:18
Miami-Dade County	17,365	328,589	1:19
Broward County	13,341	256,037	1:19
Los Angeles Unified	21,894	435,958	1:20

Source: Institute of Education Sciences, National Center for Education Statistics.

<sup>23</sup> The Hun School of Princeton.

<sup>24</sup> National average for grades PK-12. Institute of Education Sciences, National Center of Education Statistics, Common Core of Data and data provided by Nevada Department of Education were used to calculate the ratio.

<sup>25</sup> CCSD student teacher ratio = 18.17:1; WCSD student teacher ratio = 19.47:1.

**Exhibit 2.31**

**WCSD Student Teacher Ratio Comparison  
2021-2022 School Year**

School District	Teachers	Students in Public Education	Ratio
National Average	3,211,973	49,342,118	1:15
Aldine ISD	3,991	61,633	1:15
Virginia Beach City	4,238	65,450	1:15
Seminole County	3,543	66,729	1:19
Washoe County	3,366	65,358	1:19
Granite	2,786	62,544	1:22

Source: Institute of Education Sciences, National Center for Education Statistics.

**Many Factors Affect Student Achievement**

The audit found no direct correlation between student achievement and funding. Many factors impact student achievement, and it is both the challenge and reward of professional educators to identify what works best for each student. There is a role for parents, family members, community organizations, and others as well. The profile and performance data reviewed in this audit shows there are many opportunities and challenges for improving academic performance.

**Conclusion**

School district and charter school profile and performance data is helpful in understanding where and how education funds are being used and can be a tool to assess priorities, achievement, and accountability. The data is also instructive about areas where greater efficiency and effectiveness can be achieved to support increased funding in instruction and higher achievement for Nevada’s students. While challenging as a policy option, Nevada’s rural counties can look to a shared services model to lower support services costs and leverage individual county strengths into stronger organizations. Student achievement is not only a matter of dollars, although funding is a key component of success and priorities. Linking known data to the state’s additional \$2.6 billion investment in public schools will help establish a more efficient and effective way of managing expectations and outcomes.

**Recommendation**

- 2.1. Use profile and performance data to inform funding decisions. (Nevada Department of Education, State Public Charter School Authority, School Districts, and Charter Schools)

---

---

## Chapter 3

# Fiscal Accountability

---

---

The current state of public school fiscal accountability in Nevada can be improved. The Nevada Department of Education (NDE) and the State Public Charter School Authority (SPCSA) should work with districts and charter schools to improve fiscal transparency and accountability by:

3.1. *Complying with statute for public reporting requirements.*

Complying with statute for public reporting will ensure legislative intent is met by school districts. Transparency of school expenditures will increase stakeholder confidence in fiscal accountability of public schools.

3.2. *Updating statute to expand acceptable public notice platforms.*

Expanding reporting to platforms generally used by the public, such as the agency's website or official social media account, will provide better access to public school information.

3.3. *Reconciling financial reports.*

Reconciling financial reports required by NDE to the audited financial statements will ensure financial accuracy and increase public confidence in the fiscal accountability of public schools.

3.4. *Studying the impact of requiring charter schools to revert excess funds to the Education Stabilization Account as school districts are required to do.*

Conducting a study to determine whether or not charter schools should be held to the same standard will ensure there is equity in funding between school districts and charter schools.

3.5. *Clarifying requirements in the Charter School Audit Guide for financial statement preparation.*

Clarifying the requirements for financial statement preparation outlined in the Charter School Audit Guide will create consistency among the charter school financial reports and make it possible to compare financial results and analyze excess education funds.

- 3.6. *Applying statistical sampling and, if determined allowable and applicable, extrapolation methodologies to pupil count process and assess the impact of extrapolation.*

Applying statistical sampling and extrapolation methodologies to the pupil count process will enable NDE to make equitable district-level funding adjustments, which will improve accountability and transparency in state funding for education.

- 3.7. *Requesting a bill draft to change the due date for the submission of the 387 Reports for school districts and charter schools (NRS 387.303 and NRS 388A.345) and the due date for compilation and submission of the 387 Report to the Office of Finance and the Legislative Counsel Bureau.*

Revising due dates for the 387 Report would allow for better ability to reconcile to the 387 Report to audited financial statements, increase public confidence, and ensure that accurate amounts are being reported.

### **Fiscal Reports Submitted by School Districts and Charter Schools**

In response to the Governor's Executive Order 2023-005, school districts and charter schools submitted a wide array of financial and programmatic reports. This chapter focuses on fiscal accountability. The reports examined in preparing this chapter were financial audits, NRS-required financial reports, and Pupil Enrollment and Attendance Audits. Interviews were also conducted with NDE, SPCSA, and officials from various school districts and charter schools.

## ***Comply with Statute for Public Reporting Requirements***

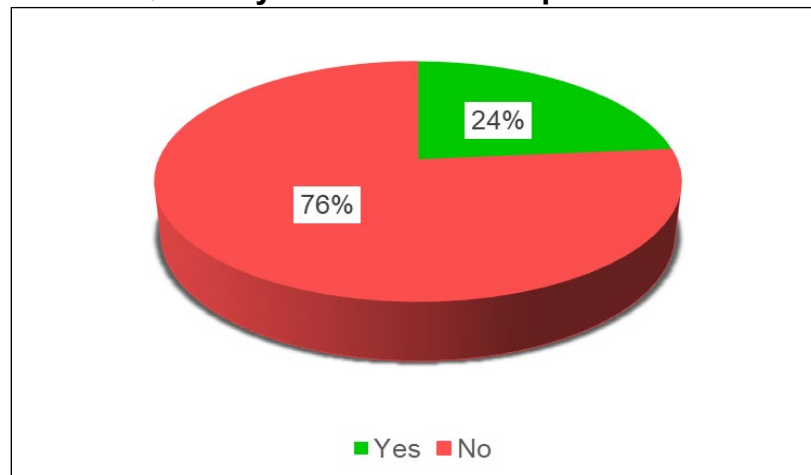
School districts should comply with statute for public reporting requirements. Public reporting requirements create transparency for the public. Complying with statute will provide transparency of school expenditures and increase stakeholder confidence in fiscal accountability of public school districts.

### **Most School Districts Did Not Comply with Statutory Public Reporting Requirements**

NRS 387.320 requires the 17 school districts to report public school expenditures quarterly.<sup>26</sup> The report format is prescribed by the Nevada Superintendent of Public Instruction and published in an established newspaper that serves the local school district community. Exhibit 3.1 summarizes school district compliance with the quarterly publication requirement.

#### **Exhibit 3.1**

**School District Compliance with Quarterly Publication of Expenditures**



Source: DIA analysis of information submitted pursuant to Executive Order.

### **Most School Districts Did Not Report Education Expenditures**

Most school districts did not report education expenditures as required by statute. Over three quarters, 76% (13 of 17) of school districts did not report expenditures in calendar year 2022. Several of the financial managers of the non-compliant school districts stated they were unaware of the requirement or thought it was no longer required. Compliance with this statutory requirement is not monitored. Exhibit 3.2 summarizes school district quarterly reporting.

<sup>26</sup> NRS 387.320, Quarterly publication of expenditures of school district.

**Exhibit 3.2**

**School Districts Compliance with NRS 387.320, Calendar Year 2022**

School District	Quarter Ending 3/31/2022	Quarter Ending 6/30/2022	Quarter Ending 9/30/2022	Quarter Ending 12/31/2022
Carson City				X
Churchill				
Clark	X	X	X	X
Douglas				X
Elko				
Esmeralda				
Eureka				
Humboldt	X	X	X	X
Lander				
Lincoln				
Lyon				
Mineral				X
Nye	X	X	X	X
Pershing				X
Storey				
Washoe	X	X	X	X
White Pine				X

Source: DIA analysis of information submitted pursuant to Executive Order.

Governor’s Executive Order Prompted Reporting Compliance

Compliance with statute would require publishing an expenditure report every quarter. Clark, Humboldt, Nye, and Washoe Counties published an expenditure report every quarter as required by statute in calendar year 2022. Thirteen of the seventeen school districts did not comply with NRS 387.320. Carson City, Douglas, Mineral, Pershing, and White Pine published an expenditure report for the last quarter of calendar year 2022 in response to the Governor’s Executive Order. Churchill, Elko, Esmeralda, Eureka, Lander, Lincoln, Lyon, and Storey committed to publishing quarterly expenditure reports moving forward, beginning with the quarter ending March 31, 2023.

**NRS Prescribed Reporting Methods Limit Access to Public School Expenditure Information**

Statute requires the quarterly expenditure report to be “printed in some newspaper published and of general circulation in the county the boundaries of which are conterminous with the boundaries of the county school district.”<sup>27</sup> The statute also states, “if no qualified newspaper is published within a county, then the required

<sup>27</sup> NRS 387.320, Quarterly publication of expenditures of school district.



publication shall be printed in some qualified newspaper printed in the State of Nevada and having a general circulation within the county.”<sup>28</sup>

### ***Statute Needs Updating to Expand Acceptable Public Notice Platforms***

Expanding reporting to platforms generally used by the public, such as the agency’s website or official social media account, will provide better access to public school information. Historically, the benefit of publishing a notice in a newspaper is that it provides transparency and accessibility to citizens interested in the information. However, this requirement is outdated and expensive. The state of Wisconsin recently created a new publication option for certain notices. Local jurisdictions may now publish a summary indicating where the full-text content may be viewed. The full-text content is then published on the local jurisdiction’s website.

Expanding the statutorily prescribed reporting platform, while maintaining accessibility and transparency, will lead to greater access to public school expenditure information and enhance transparency for school district operations.

### ***Conclusion***

Public reporting requirements are meant to enhance transparency and the public’s confidence in spending on education. Failure to comply with statutory school expenditure reporting requirements limits transparency for the public and inhibits accountability for tax dollars designated to support public education in the state. Expanding the statutorily prescribed reporting platform will result in cost savings while maintaining transparency and accessibility. Oversight of this reporting requirement should be clarified in statute.

---

<sup>28</sup> NRS 387.320, Quarterly publication of expenditures of school district.

## ***Reconcile Financial Reports***

NDE should confirm the amounts reported in the Annual Comprehensive Financial Report (ACFR) tie to the annual report required by NRS 387.303.<sup>29</sup> Ensuring the amounts tie between the reports will ensure accuracy and increase public confidence in fiscal accountability of public education.

## **NRS Required Reporting and Public School Financial Statements Vary**

Two reports are prepared that contain school district and charter school financial information: a NDE required public school summary report (387 Report); and, pursuant to NRS 354.624, each local government's annual audit of its financial statements included in the ACFR.<sup>30</sup>

The ACFR is a set of financial statements that comply with the accounting requirements established by the Governmental Accounting Standards Board issued by a state, municipality, or other government entity. It presents a wide variety of information needed for readers to understand the true financial picture of a local government's finances and how they compared to the financial data projected in the budget. The ACFR must be audited by an independent auditor using Generally Accepted Government Auditing Standards.

Pursuant to statute, the board of trustees of each school district and the governing body of each charter school shall submit a report to the Superintendent of Public Instruction each year.<sup>31</sup> The report includes information about the number of licensed and non-licensed persons, the salaries paid to these persons, and the actual expenditures in the fiscal year being reported. Additionally, proposed expenditures and a schedule of salaries for licensed employees for the current fiscal year, along with a statement of whether the negotiations regarding salaries for the current school year have been completed, will also be included. The 387 Report requires reporting the school district's actual expenditures in the fiscal year preceding the report but is not required to be audited by an independent auditor.<sup>32</sup>

---

<sup>29</sup> NRS 387.303, Budgets: Annual reports by school districts; compilation of reports; biennial budget request for State Education Fund. The statute requiring charter schools to submit a similar report is NRS 388A.345. The audit report will refer to the school district and the charter school report as the 387.303 report, consistent with NDE practice.

<sup>30</sup> NRS 354.624, Annual audit: Requirements; designation of auditor; scope and disposition; dissemination; prohibited provision in contract with auditor.

<sup>31</sup> NRS 387.303, Budgets: Annual reports by school districts; compilation of reports; biennial budget request for State Education Fund.

<sup>32</sup> Ibid.

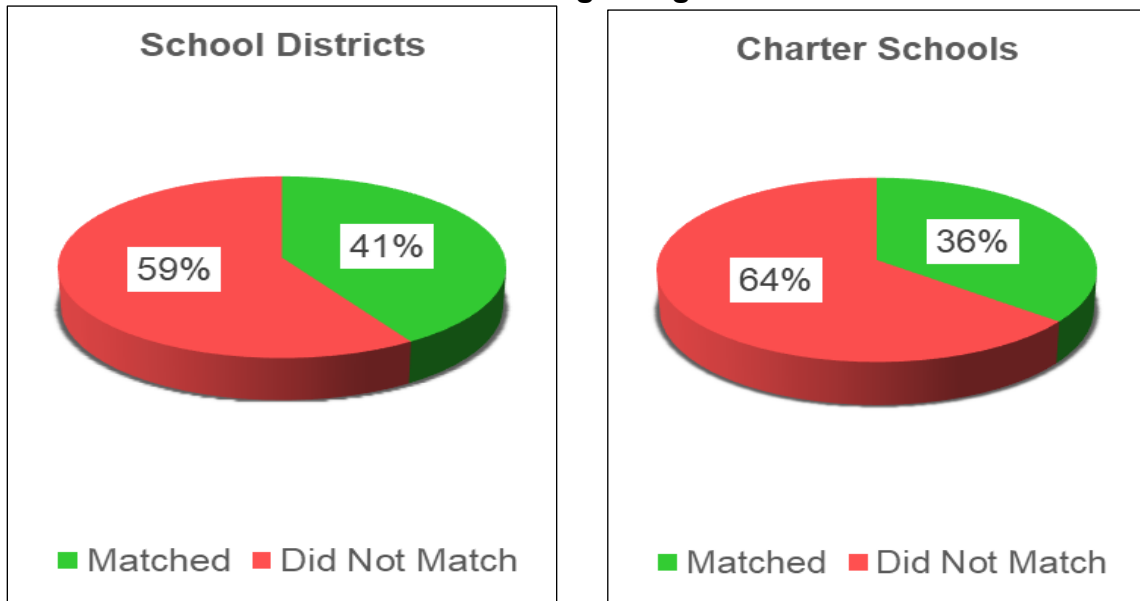
Fewer Than Half of Public School  
Financial Reports Reconciled

Fewer than half of the 387 Reports submitted reconciled to the entity’s ACFR. DIA attempted to reconcile the school districts’ and charter schools’ audited financial statements to their 387 Reports.<sup>33</sup> Due to differences in how the financial information is presented in the two reports, the beginning and ending fund balances were compared as a first step to reconcile the reports.

The beginning fund balance for the general fund was accurately recorded from the ACFR by 41% (7 out of 17) of school districts and 36% (19 out of 53) of charter schools. Exhibit 3.3 illustrates the results.

**Exhibit 3.3**

**ACFR Compared to NRS 387.303 Report  
Fiscal Year 2022 – Beginning Fund Balance**



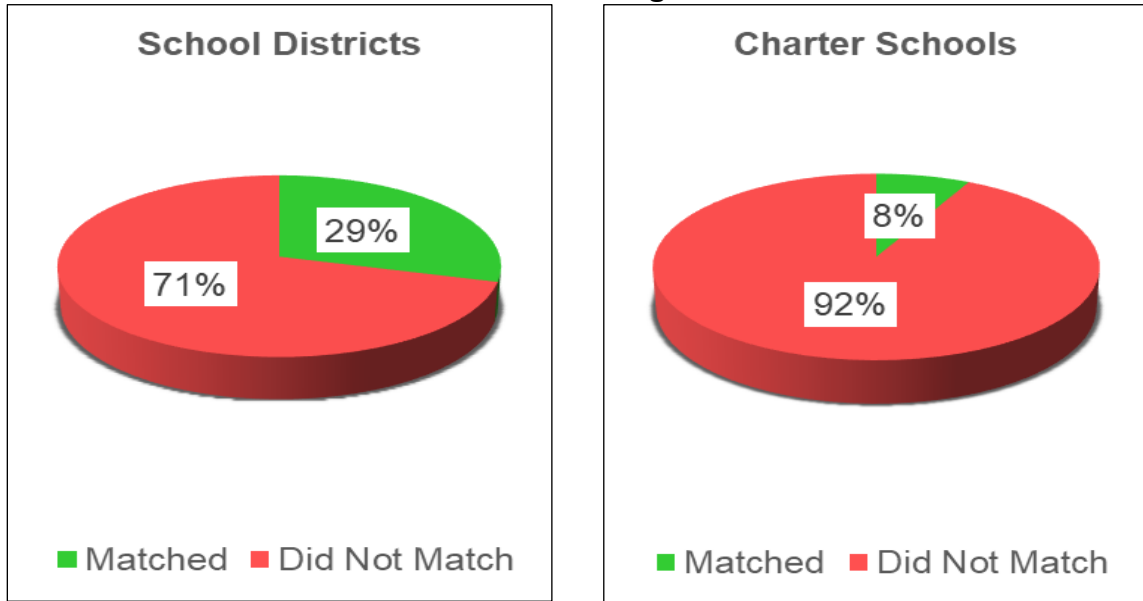
Source: DIA analysis of information submitted pursuant to Executive Order.

The ending fund balance for the general fund was accurately recorded from the ACFR by 29% (5 out of 17) of school districts and 8% (4 out of 53) of charter schools. Exhibit 3.4 illustrates the results.

<sup>33</sup> NRS 387.303, Budgets: Annual reports by school districts; compilation of reports; biennial budget request for State Education Fund.

**Exhibit 3.4**

**ACFR Compared to NRS 387.303 Report  
Fiscal Year 2022 – Ending Fund Balance**



Source: DIA analysis of information submitted pursuant to Executive Order.

The inaccuracy of the beginning and ending fund balances suggests that the 387 Report does not accurately represent the audited revenues and expenditures of the school districts and charter schools.<sup>34</sup>

***Report Variances Impacted by Timing; Bill Draft Request Necessary to Change***

Pursuant to NRS 387.303(1), and NRS 388A.345(1), school districts and charter schools shall submit their 387 Reports on or before November 1<sup>st</sup> of each year. Pursuant to NRS 354.624(2), annual audits of school districts must be submitted to the respective governing boards not later than 4 months after the close of the fiscal year for which the audit is conducted. Fiscal year closing generally occurs at the end of August making the annual audit due by the end of December. Since the 387 Report is due on November 1<sup>st</sup>, it is possible that variances will occur between the 387 Report and the annual audit if changes to the annual audit occur after the submission of the 387 Report.

NDE should request a bill draft to change the due date for the submission of the 387 Reports for school districts and charter schools (NRS 387.303 and NRS 388A.345) and the due date for compilation and submission of the 387 Report to the Office of Finance and the Legislative Counsel Bureau. Reconciling the existing financial reports would increase confidence in the 387 Report and ensure that accurate amounts are reported.

<sup>34</sup> NRS 387.303, Budgets: Annual reports by school districts; compilation of reports; biennial budget request for State Education Fund.

## ***Conclusion***

Reconciliation of the Annual Comprehensive Financial Report (ACFR) to the annual 387 Report assures consistency in financial information available to the Governor, Legislature, education leaders, and the public. Fewer than 30% of school districts and 10% of charter schools reported an ending fund balance in the 387 Report that agreed to the audited financial statements. Consequently, the 387 Report may not be a reliable source of financial information. Revising due dates for the 387 Report would allow for better ability to reconcile the reports to audited financial statements, increase public confidence, and ensure that accurate amounts are being reported.

## ***Study the Impact of Requiring Charter Schools to Revert Excess Funds to the Education Stabilization Account as School Districts Are Required to Do***

School districts are required to annually revert excess funds to the Education Stabilization Account. Reverting excess funds each year encourages planning in the use of current resources. Charter schools are not required to revert excess funds to the Education Stabilization Account. This may create inequities between school districts and charter schools.

### **Required Transfers Are Not Necessarily Equitable**

The Education Stabilization Account transfers should be calculated pursuant to statute. The account is the state's education contingency fund. During the last legislative session, NRS 387.1213(1) was amended by section 2.3 of Senate Bill 124 (2023) as follows:

The Education Stabilization Account is hereby created in the State Education Fund. [E]ach year after the close of the previous fiscal year and before the issuance of the State Controller's annual report, each county school district shall transfer from the county school district fund to the Education Stabilization Account any amount by which the actual ending fund balance of the county school district fund exceeds 16.6% of the total actual expenditures for the fund.<sup>35</sup>

Senate Bill 124 (2023) specifically excludes the following when determining the actual ending fund balance:

- Money deposited on or before June 30, 2020;
- Money apportioned for capital projects or debt service; and
- Money transferred to the school district for net proceeds of minerals which is authorized for mitigating the adverse effects of the cyclical nature of the industry of extracting and processing minerals.

The implementation of the Pupil-Centered Funding Plan in fiscal year 2021 intended to protect school districts from being unfairly penalized for having an ending fund balance greater than the new legislation allowed. The implementation provisions included a "grandfather" clause allowing school districts to retain certain amounts above the 16.6% as long as they had those funds prior to June 30, 2020. This has created certain inequities between school districts depending on their respective ending fund balances as of the transition date.

NDE currently tracks school district ending fund balances to insure those who have been grandfathered to have an ending fund balance above the 16.6% limit do not exceed their specific allowable amount.

---

<sup>35</sup> NRS 387.1213, Education Stabilization Account: Creation; transfer of money; limitation on balance.

The existing statute does not apply to charter schools. This creates a question of equity in that school districts are required to revert excess funds to the Education Stabilization Account, but charter schools are not. Research should be conducted to determine if there would be a benefit of requiring charter schools to be held to the same ending fund balance restrictions as are school districts.

Some School Districts and Charter Schools Have Large Fund Balances

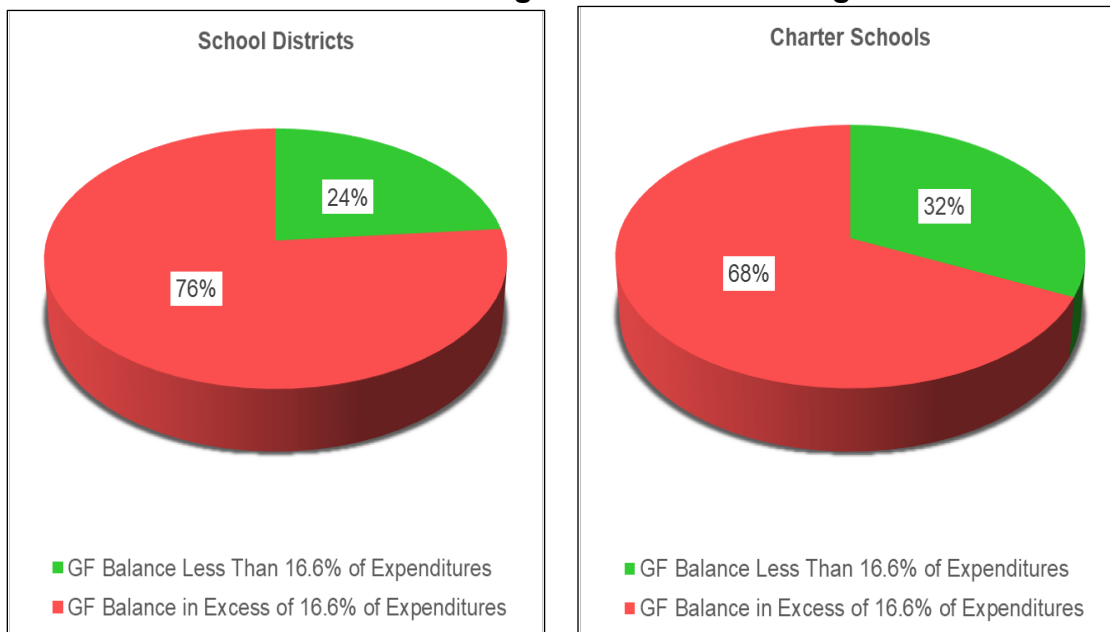
Analysis on the actual ending fund balances for the 17 school districts showed for fiscal year 2022, 13 of the 17 school districts (76%) had an actual ending general fund balance in excess of 16.6% of total actual general fund expenditures.

Clark County School District (CCSD) had an ending fund balance of 22.7% when compared to expenditures. Between 2017 and 2022 the actual ending general fund balance increased from \$42 million to \$494 million. If required to revert actual general fund ending balance in excess of 16.6%, the reversion amount for CCSD would have been \$132 million at the end of fiscal year 2022. The reversion amount for all 17 school districts would have been approximately \$200 million.

Of the 53 charter schools in operation during the 2022 school year, 36 (68%) had an actual ending general fund balance in excess of 16.6% of total actual general fund expenditures. If charter schools were required to revert the actual general fund ending balance in excess of 16.6%, the reversion amount would have been almost \$150 million at the end of fiscal year 2022. Exhibit 3.5 shows public schools general fund ending balances exceeding 16.6%.

**Exhibit 3.5**

**General Fund Ending Balances Exceeding 16.6%**



Source: DIA analysis of information submitted pursuant to Executive Order.

It should be noted that charter schools and some small rural school districts do not have the same access to capital funding as do larger school districts that have the ability to issue and repay long-term bonds. This requires the charter schools and small rural districts to set aside funds to acquire or repair capital assets. The requirement to revert excess funds to the Education Stabilization Account should recognize these capital set aside funds as an allowable amount above the 16.6% ending fund balance allowed. However, the use of any such set aside funds should be restricted for capital outlays only.

Requiring school districts, and possibly charter schools, to annually revert excess funds to the Education Stabilization Account will encourage planning in the use of current resources and support fiscally responsible budget preparation during the subsequent budget cycles.

### ***Conclusion***

Allowing public schools to hold large ending fund balances prevents the state from using these funds for other education priorities. School districts are required to revert excess funds to the Education Stabilization Account; charter schools are not. A study to determine whether or not charter schools should be held to the same standard would ensure there is equity in funding between school districts and charter schools.



## ***Clarify Requirements in the Charter School Audit Guide for Financial Statement Preparation***

NDE should clarify the requirements for financial statement preparation outlined in the Charter School Audit Guide to create consistency among the charter school financial reports and make it possible to compare financial results and analyze excess education funds.

The most recent Charter School Audit Guide issued by the Nevada Department of Education states in Section 100, “all financial statements must use the modified accrual basis of accounting.”<sup>36</sup> Section 105 states, “the charter schools’ activities should be accounted for as a Business-Type Entity and report all activity with the Proprietary Fund.”<sup>37</sup> Business-Type Entities report activity using the accrual basis of accounting. The audit guide may be inconsistent as the modified accrual basis of accounting would not be used when reporting a proprietary fund.

### Audit Guide Direction is Unclear

It is unclear what type of proprietary fund the audit guide is recommending in Section 105. Proprietary funds include enterprise and internal service funds. Enterprise funds may be used to report any activity for which a fee is charged to external users for goods or services. Internal service funds may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost reimbursement basis.<sup>38</sup>

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.<sup>39</sup> Proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.<sup>40</sup> Hence, it is important to identify what type of fund is being reported prior to determining the basis of accounting and measurement focus.

---

<sup>36</sup> Nevada Department of Education Charter School Audit Guide, February 2023, Section 100 Introduction.

<sup>37</sup> Nevada Department of Education Charter School Audit Guide, February 2023, Section 105 Background.

<sup>38</sup> GASB Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis-For State and Local Governments, Page 26-27.

<sup>39</sup> GASB Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis-For State and Local Governments, Page 29.

<sup>40</sup> GASB Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis-For State and Local Governments, Page 33.

## Charter Schools May Incorporate as a Nonprofit Corporation

Nevada Revised Statute 388A.095 states that “a charter school *may* be incorporated as a nonprofit corporation”.<sup>41</sup> 35 charter schools are registered as nonprofit corporations with the Nevada Secretary of State.<sup>42</sup> “Government and nonprofit organizations aren’t interested in making money, so they use an accounting system called fund accounting. Fund accounting essentially groups financial data together into funds or accounts that share a similar purpose.”<sup>43</sup> In nonprofit accounting, there are four required financial statements that organizations must produce: the Statement of Financial Position, the Statement of Activities, the Statement of Cash Flows, and the Statement of Functional Expenses.<sup>44</sup> These statements are prepared on an accrual basis.

While NRS 388A.095 allows for a charter school to incorporate as a nonprofit corporation, it does not require it to do so. Registering as a nonprofit corporation requires additional IRS reporting.<sup>45</sup> NRS 388.020 identifies a charter school as a kind of public school, which would follow the Governmental Accounting Standards Board (GASB) guidelines, specifically GASB 34, for financial statement preparation.<sup>46,47</sup>



---

<sup>41</sup> NRS 388A.095, Operation for profit prohibited; incorporation as nonprofit corporation authorized.

<sup>42</sup> SilverFlume, Nevada’s Business Portal.

<sup>43</sup> Investopedia, Navigating Government and Nonprofit Financials, July 27, 2021.

<sup>44</sup> Association of Non-profit Accountants & Finance Professionals, Guide to Understanding Nonprofit Financial Statements, 2020.

<sup>45</sup> <https://www.irs.gov/charities-non-profits>.

<sup>46</sup> NRS 388.020, Kinds of public schools.

<sup>47</sup> GASB Statement No. 34, Basic Financial Statements and Management’s Discussion and Analysis-For State and Local Governments.

Changes to Audit Guide Created Inconsistencies  
Among Charter School Financial Reports

The NDE Charter School Audit Guide reporting requirements changed in 2023. Section 800 of the Audit Guide was revised from January 2019 as shown in Exhibit 3.6.

**Exhibit 3.6**

**Nevada Charter School Audit Guide Reporting Package**

January 2019	February 2023
<b>Government-Wide Financial Statements</b>	<b>Basic Financial Statements</b>
Statement of Net Position	Statement of Net Position
Statement of Activities	Statement of Revenues, Expenses and Changes in Net Postion
Statement of Cash Flows	Statement of Cash Flows
<b>Fund Financial Statements</b>	
Balance Sheet for Governmental Funds	
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	
Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds	
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	

Source: Nevada Department of Education Charter School Audit Guide, January 2019 and February 2023 releases.

The changes to the audit guide reporting requirements show a shift from modified accrual statements to accrual statements. The current audit guide requires three accrual statements, whereas the former guidelines required three accrual statements and two modified accrual statements. Nevada county school districts prepare financial statements using the modified accrual basis. It is unclear why charter schools would prepare financial statements using a different accounting basis than school districts.

Charter Schools Used Different  
Bases of Accounting

Review of the audited financial statements of the charter schools shows 49 charter schools prepared financial statements using the modified accrual basis while 4 charter schools prepared financial statements using the accrual basis of accounting for fiscal year 2022. The change to accrual financial statement preparation does not allow for analysis of the general fund ending balance, which would be required if the recommendation to require charter schools to revert

excess funds to the Education Stabilization Account is implemented. The general fund ending balance is not presented on accrual financial statements.

Consistent Reporting Requirements  
Would Enable Analysis Among Charter Schools

Creating consistent reporting requirements in the Charter School Audit Guide for financial statement preparation will ensure financial statements are consistent among charter schools and enable analysis and comparison of financial results.

***Conclusion***

Requiring all charter schools to prepare the same statements, regardless of how they are organized, will standardize financial reporting and allow financial information to be compared and ending balances to be analyzed. An updated Charter School Audit Guide will clarify financial statement preparation. Section 102 states “The purpose of the Guide is to provide procedures to properly complete the charter school’s annual audit and provides a uniform approach to the financial statement formats and related notes to the financial statements.”<sup>48</sup> An updated audit guide will provide for preparing financial statements in conformity with reporting requirements for local governments and/or governmental nonprofits, while providing the necessary statements for analysis of fund balances.

---

<sup>48</sup> Nevada Department of Education Charter School Audit Guide, February 2023, Section 102: Purpose.

## ***Apply Statistical Sampling and, if Determined Allowable and Applicable, Extrapolation Methodologies to Pupil Count Process and Assess the Impact of Extrapolation***

NDE should apply statistical sampling and, if determined allowable and applicable, extrapolation methodologies to pupil count process and assess the impact of extrapolation. Sampling and extrapolating the results to the pupil count process will improve accountability and transparency in state funding for public education.

Standardizing and updating the Pupil Enrollment and Attendance Audit (PEAA) process will hold each school district accountable at the district level. Currently, only the pupil enrollment reviewed is adjusted for errors identified in the audit. If determined appropriate, extrapolating results from audit samples to the full district population would allow NDE to make more accurate district level Pupil-Centered Funding Plan (PCFP) base funding adjustments, which will ensure fairness in the funding process.

### **NRS Requires NDE to Verify Enrollment**

Effective July 1, 1999, the Nevada Legislature enacted NRS 387.304, requiring NDE to conduct an annual audit of the count of pupils for apportionment purposes reported by each school district. NRS 387.1238 allows for the verification of



*Milken Educator Awards, February 7, 2023.*

"reports of enrollment and daily attendance submitted by any school district, charter school or university school for profoundly gifted pupils for apportionment purposes." In addition, NDE is authorized to adjust for pupils not properly enrolled or not attending school pursuant to NRS 387.1243.

The purpose of the PEAA is to verify the pupil enrollment count submitted to NDE for PCFP funding by determining the integrity of the data included in the master registers, ethnic reports, and class record books. NDE is also responsible for monitoring public school compliance with applicable Nevada statutes and regulations.

The PCFP replaced the 54-year-old Nevada Plan in fiscal year 2022. As defined in NRS 387.121, the PCFP prioritizes equity by funding students based on their unique needs and circumstances. The plan seeks to provide students with a base level of resources and greater support to those in need. Additionally, the education funding formula accounts for the adjusted costs of providing education in urban/rural and large/small district and school settings across the state and promotes transparency and accountability in state funding for public education.<sup>49</sup>

<sup>49</sup> NDE, PCFP Summary Document 2021, Understanding the Pupil-Centered Funding Plan.

## NDE Conducted Annual Pupil Enrollment and Attendance Audits

Pursuant to NRS 387.304, NDE conducted the annual 2021-2022 PEAA's of 17 school districts and 53 charter schools. NDE audited an average of approximately 29,000 pupils' enrollment and attendance within Nevada's 17 school districts per quarter.

### Objective of Sampling Populations

According to Statements on Auditing Standards issued by the Auditing Standards Board, the objective of an audit, when using audit sampling, is to provide a reasonable basis to draw conclusions about the population from which the sample is selected.<sup>50,51</sup>

Audit sampling is defined as the selection and evaluation of less than 100 percent of the population of audit relevance such that the auditor expects the items selected (the sample) to be representative of the population and, thus, likely to provide a reasonable basis for conclusions about the population. In this context, representative means that evaluation of the sample will result in conclusions that, subject to the limitations of sampling risk, are similar to those that would be drawn if the same procedures were applied to the entire population.<sup>52</sup>

The statement concludes that once an appropriate sample has been drawn, audit procedures have been performed, and deviations have been identified and evaluated, the auditor should project the results of audit sampling to the population.<sup>53</sup>

### Pupil Enrollment Errors Identified Result in PCFP Funding Adjustments

As part of the PEAA process, NDE verifies the pupil enrollment submitted by the public schools for PCFP funding by determining the integrity of the data included in the master registers, ethnic reports, and class record books. When pupil enrollment errors are identified in the audit, NDE makes year-end PCFP adjustments for pupils not properly enrolled or not attending school.

In review of the 17 school district PEAA's, 28% had no PCFP base funding adjustments and 72% had base funding adjustments for the 2021-2022 school year. Exhibit 3.7 summarizes the results.

---

<sup>50</sup> The Auditing Standards Board is the American Institute of Certified Public Accountant's senior committee for auditing, attestation, and quality control applicable to the performance and issuance of audit and attestation reports for nonpublic companies. Its mission is to serve the public interest by developing, updating, and communicating comprehensive standards and practice guidance that enable practitioners to provide high-quality, objective audit and attestation services to nonpublic companies in an effective and efficient manner.

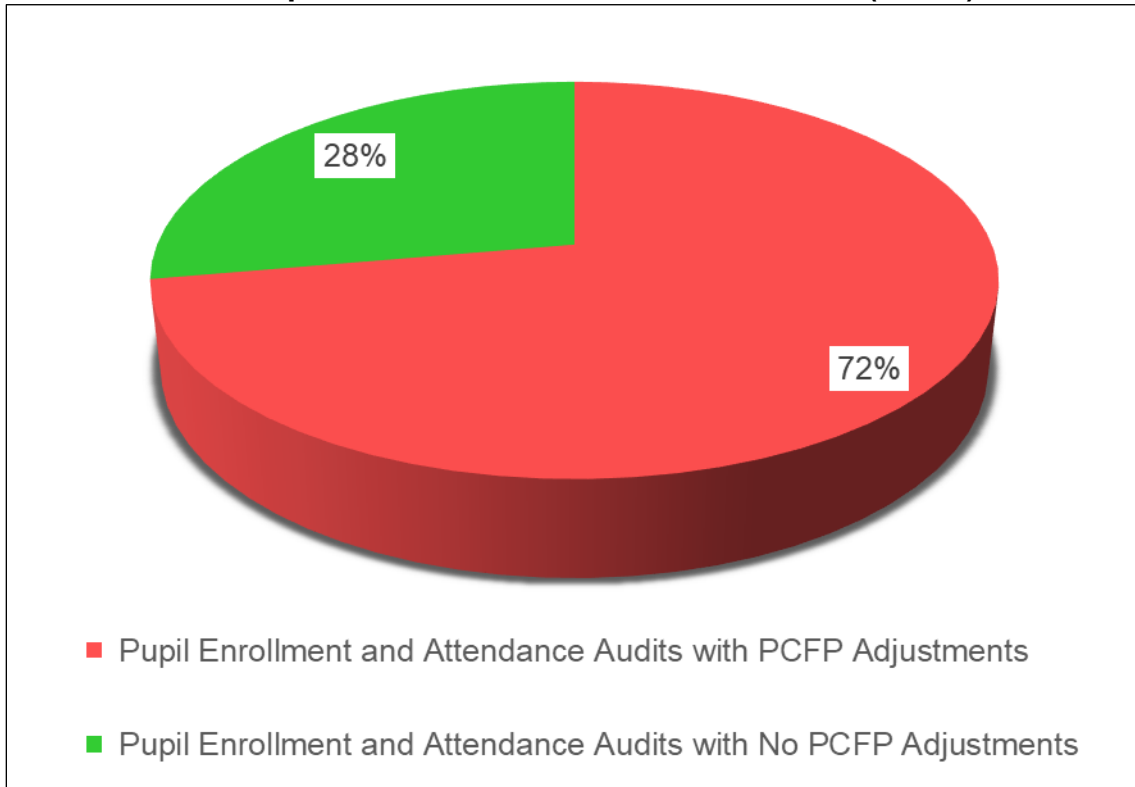
<sup>51</sup> Statement on Auditing Standards No. 122, Statements on Auditing Standards: Clarification and Recodification, AU-C Section 530, Audit Sampling.

<sup>52</sup> Ibid.

<sup>53</sup> Ibid.

**Exhibit 3.7**

**School District Pupil Enrollment and Attendance Audits (PEAA) 2021-2022**

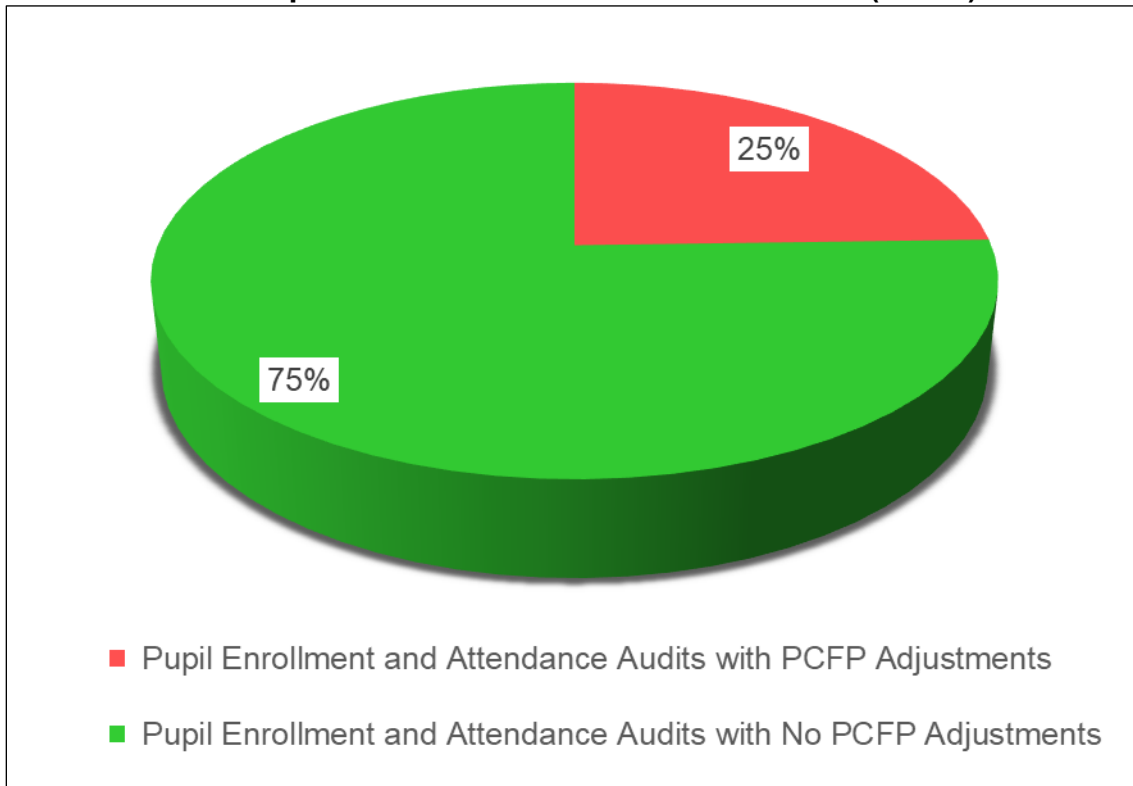


Source: DIA analysis of PEAA reports submitted pursuant to Executive Order.

In review of the 53 charter school PEAA's, 75% had no PCFP base funding adjustments and 25% had base funding adjustments for the 2021-2022 school year. Exhibit 3.8 summarizes the results.

### Exhibit 3.8

#### Charter School Pupil Enrollment and Attendance Audits (PEAA) 2021-2022



Source: DIA analysis of PEAA reports submitted pursuant to Executive Order.

#### Pupil Enrollment Adjusted by Specific Errors Identified

NDE made PCFP base funding adjustments based on the errors identified within the tested average daily enrollment for the quarter (population). PCFP base funding adjustments are supposed to correct for underpayment or overpayment of funding to public schools.<sup>54</sup>

The school district and charter school findings consisted of errors in recording and reporting pupil enrollment and withdrawal dates, records not retained as required to support funding, incomplete information in class record books, and errors in posting information to the Master Registers. Adjustments to base funding were made based on these errors.

NDE performed PEAA's on either an actual or a sample basis. Sample schools and pupil days were judgmentally selected and reviewed. The percentage of the average daily enrollment reviewed ranged from 2% to 100%. In instances where PCFP adjustments were made due to errors identified in the audit, adjustments were made to the tested average daily enrollment for the quarter reviewed. NDE's selection of schools to be audited on a judgmental sample basis may not have

<sup>54</sup> NRS 387.1243, Adjustments for pupil not properly enrolled or not attending; final computation; underpayments and overpayments.



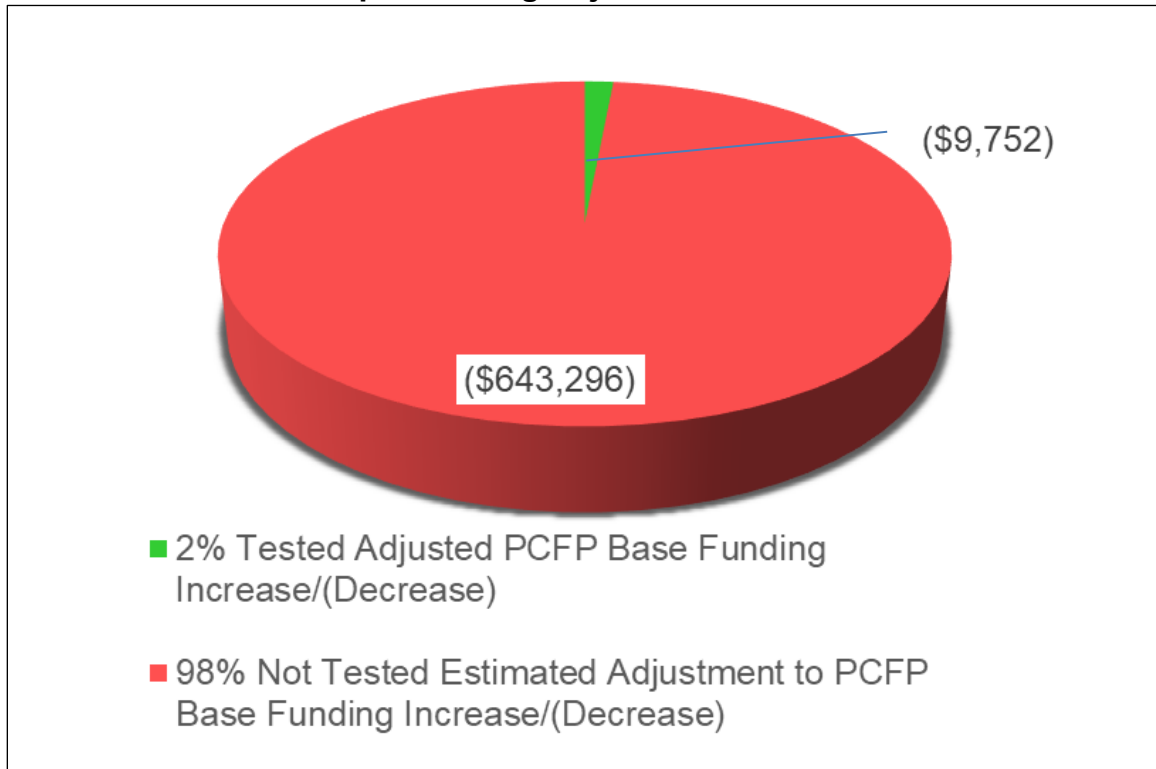
resulted in a representative sample. A more statistically valid methodology would allow for accurate PCFP funding adjustments. An error rate derived from a more statistically valid methodology could have been calculated and applied to the remaining public schools.

Projecting Errors Leads to More Accurate Funding Adjustments

More accurate funding adjustments would result from projecting student count errors across the school district. To illustrate the effect of applying an error rate district wide, had the Clark County error rate from 2021-2022 been applied to the untested population (98%), the PCFP funding would have been reduced by approximately \$643,000. A more statistical sampling methodology would likely change the funding adjustment. Exhibit 3.9 illustrates the difference between the actual adjustment and a statistically applied adjustment.

**Exhibit 3.9**

**Clark County School District PEAA  
Example Funding Adjustment 2021-2022**



Source: DIA analysis of PEAA reports submitted pursuant to Executive Order and NDE PCFP Payment Book, Year-End Final True-up Report.

### NDE Claims Error Rate Should Not Be Projected

NDE claims that a calculated error rate should not be projected to the unaudited population because the sample used is too small to be representative of the unaudited population. Using an appropriate sampling methodology would allow for the error rate to be extrapolated. NDE also expressed that the intent of the audit is to provide technical assistance and ensure accurate reporting, not to correct data after the fact.

### School Districts with Larger Sample Size Have Higher Level of Accountability

NDE is testing a higher percentage of student enrollment in rural school districts and making corrections for all errors found within those samples. A smaller percentage of students were tested in urban school districts. Consequently, rural school districts have a higher level of accountability for funding adjustments than urban school districts. For example, Lander County School District had 70% of student enrollment tested and errors discovered in the sample were corrected. CCSD had 2% of student enrollment tested and errors discovered in the sample were corrected. This audit methodology indicates rural school districts with larger samples are being held to a higher level of accountability than urban school districts.

### Representative Sample Can Be Achieved Reviewing Fewer Records

NDE can achieve a representative sample to apply funding adjustments by using a statistical sampling method that reviews fewer student enrollment records. In fiscal year 2022, NDE tested approximately 29,000 student records quarterly in the PEAs. Samples ranged from 2% (Clark County) to 100% (Eureka County). For fiscal year 2023, if all school districts had a sample size of 6%, or a minimum of 200 records (whichever is greater), approximately 27,000 student records would need to be tested quarterly to achieve a 99% confidence level.<sup>55</sup> This would mean that 2,100 less records would need to be tested quarterly in fiscal year 2023 than in fiscal year 2022 to achieve a representative sample of the population. The calculated error rate could then be applied to the unaudited population with a high level of confidence. Exhibit 3.10 shows changes in sample size to achieve a statistically valid result.

---

<sup>55</sup> Sample methodology determined by GFO Economist.

**Exhibit 3.10**

**School District PEAA Sample Size Comparison**

School District	Total Students FY23	Average Qtrly Sample Size for FY22 Pupil Enrollment & Attendance Audit	Sample Size 6% of FY23 District Population, Minimum of 200
Carson City	7,722	3,671	463
Churchill	3,394	2,249	204
Clark	314,372	5,986	18,862
Douglas	5,331	2,547	320
Elko	10,171	2,530	610
Esmeralda	88	43	88
Eureka	333	330	200
Humboldt	3,329	519	200
Lander	1,059	690	200
Lincoln	958	216	200
Lyon	9,085	1,529	545
Mineral	613	209	200
Nye	5,873	1,092	352
Pershing	684	330	200
Storey	416	437	200
Washoe	64,990	6,033	3,899
White Pine	1,322	641	200
<b>Grand Total</b>	<b>429,740</b>	<b>29,052</b>	<b>26,944</b>

Source: DIA analysis of PEAA reports submitted pursuant to Executive Order and sample methodology provided by GFO Economist.

**Conclusion**

NDE is required to conduct an annual audit of pupil enrollment reported each quarter by each school district for apportionment purposes and is authorized to make PCFP funding adjustments. Standardizing and updating the PEAA process will allow NDE to form representative sample sizes across the districts and, when allowable and applicable, to extrapolate the identified errors to make equitable district level funding adjustments and promote accountability in state funding for public education.

## ***Recommendations***

- 3.1. Comply with statute for public reporting requirements. (School Districts and Nevada Department of Education)
- 3.2. Update statute to expand acceptable public notice platforms. (Nevada Department of Education)
- 3.3. Reconcile financial reports. (School Districts, Charter Schools, and Nevada Department of Education)
- 3.4. Study the impact of requiring charter schools to revert excess funds to the Education Stabilization Account as school districts are required to do. (Nevada Department of Education)
- 3.5. Clarify requirements in the Charter School Audit Guide for financial statement preparation. (Nevada Department of Education)
- 3.6. Apply statistical sampling and, if determined allowable and applicable, extrapolation methodologies to pupil count process and assess the impact of extrapolation. (Nevada Department of Education)
- 3.7. Request a bill draft to change the due date for the submission of the 387 Reports for school districts and charter schools (NRS 387.303 and NRS 388A.345) and the due date for compilation and submission of the 387 Report to the Office of Finance and the Legislative Counsel Bureau. (Nevada Department of Education)

---

---

## Chapter 4

# Instructional Accountability

---

---

The current state of public school instructional accountability in Nevada can be improved. The Nevada Department of Education (NDE) should work with districts and charter schools to improve instructional accountability by:

- 4.1. *Adhering to statutory intent for Read by Grade 3 implementation guidelines.*

Adhering to guidelines will provide the requisite literacy resources in public schools to achieve Nevada’s Read by Grade 3 proficiency targets.

- 4.2. *Evaluating the adequacy of the Read by Grade 3 goal.*

Evaluating the Read by Grade 3 goal to set a higher proficiency expectation will align with national standards and help more students succeed throughout their academic careers.

- 4.3. *Ensuring all school districts comply with Read by Grade 3 reporting requirements.*

Ensuring all school districts comply with Read by Grade 3 reporting requirements will allow NDE to assess student reading proficiency and school compliance with Read by Grade 3 requirements.

- 4.4. *Updating statute to allow NDE to hire literacy specialists to coordinate Read by Grade 3 efforts and train at school-level.*

Updating statute to allow NDE to hire and provide professional learning for literacy specialists for district schools that receive a 3-Star rating or below, and to have districts hire literacy specialists for all other elementary schools, would allow for coordinated efforts among the different schools.

- 4.5. *Revising the strategy for implementing an effective Individuals with Disabilities Education Act program.*

Revising the strategy for Individuals with Disabilities Education Act program technical assistance activities and reporting will improve the effectiveness of the assistance provided for program performance and improved student outcomes.

## Instructional Reports Submitted by School Districts and Charter Schools

In response to the Governor's Executive Order 2023-005, school districts and charter schools submitted a wide array of financial and programmatic reports. This chapter focuses on instructional accountability. The reports examined in preparing this chapter were NDE Read by Grade 3 (RGB3) data, Individuals with Disabilities Education Act (IDEA) reports, Nevada School Rating reports (2018-2023), and the Pupil Enrollment and Attendance Audits.

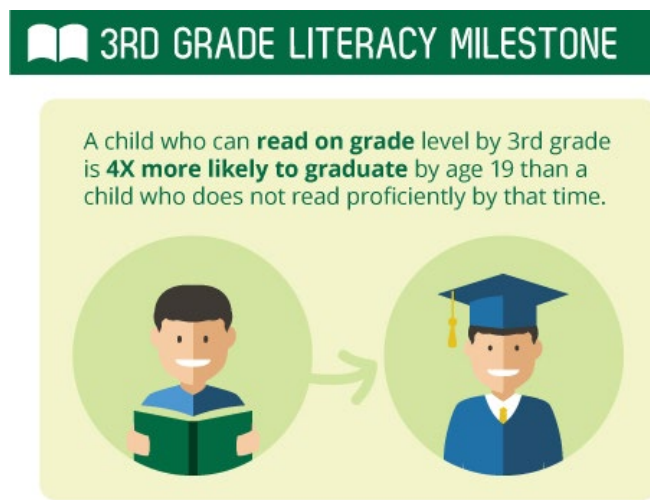


## ***Adhere to Statutory Intent for Read by Grade 3 Implementation Guidelines***

NDE should ensure school districts and charter schools adhere to statute for RBG3 implementation guidelines. Adhering to statute will ensure appropriate resources are in place to achieve RBG3 goals.

School districts and charter schools are not following staffing and program guidelines established in statute to implement effective RBG3 programs in Nevada public schools. Monitoring will help school districts and charter schools ensure the portion of resources provided in the \$2.6 billion additional investment into public education are effectively programmed to achieve RBG3 proficiency goals.

### **Third Grade Reading Proficiency the Greatest Predictor of Future Success**



Third grade reading proficiency is the greatest predictor of future success. Third grade is when students make the leap from learning to read to reading to learn.<sup>56</sup> Beginning in fourth grade, students transition to more complicated material requiring greater comprehension skills. If students are behind in third grade, they will struggle to catch up in reading and other topics as well.

Many states have enacted RBG3 laws because of the importance of grade 3 reading proficiency.<sup>57</sup> RBG3 proficiency not only affects a child's ability to master more difficult topics, but also influences a student's likelihood of graduating high school and pursuing further education, to include trade skills and acquiring advanced manufacturing jobs. A student's proficiency in third grade affects their proficiency in eighth grade, which influences their proficiency in eleventh grade and their likelihood of graduating high school.<sup>58</sup>

### **Read by Grade 3 Predictor of High School Graduation and Future Success**

A student's likelihood of graduating high school and success in life can be predicted by their reading skill at the end of third grade. Students who are unable to read by third grade are more likely to fall behind and drop out. Students who do

<sup>56</sup> "What's so important about 3<sup>rd</sup> grade?" Gail Robinson, 2023.

<sup>57</sup> NDE, RBG3 Team information.

<sup>58</sup> Ibid.

not graduate high school are more likely to experience unemployment, receive government assistance, and be incarcerated.<sup>59</sup>

Students who graduate high school tend to earn higher wages, lead a more secure lifestyle, and become productive members of society. In addition to earning more, high school graduates live longer, and are less likely to become teen parents and more likely to raise healthier and better educated children. High school graduates are less likely to commit crimes, rely on food stamps, and receive housing assistance.<sup>60</sup>

In an increasingly global and technical economy, employers struggle to find enough skilled, competent, and accountable workers. Researchers note, “The bottom line is that if we don’t get dramatically more children on track as proficient readers, the U.S. will lose a growing and essential proportion of its human capital to poverty, and the price will be paid not only by individual children and families but by the entire country.”<sup>61</sup> Students need early intervention before a lack of reading proficiency becomes a barrier to high school graduation and higher earning potential.

### States Set Standards for RBG3 Proficiency

States set standards for RBG3 proficiency and the minimum requirements for students to move on to fourth grade. Over the last decade, more than 30 states have passed third grade reading laws.<sup>62</sup> These laws provide monitoring and interventions to help students meet standards.

### Nevada Joins RBG3 Focus in 2015

With the passing of SB 391 (2015), Nevada joined a growing number of states focusing on the ability to read on grade level by third grade. Nevada’s RBG3 legislation established a statewide comprehensive system of early reading instruction aimed at accelerating reading growth of students reading below grade level in kindergarten through third grade. The legislation requires the Board of Trustees of a school district or the governing body of a charter school to prepare a plan to improve the literacy of students enrolled in kindergarten and grades 1-3 and submit the plan to NDE for approval.

The legislation requires schools to designate a licensed teacher employed by the school to serve as a literacy specialist to train and assist teachers in providing instruction to students who are deficient in reading. The legislation requires schools to provide notice to the parents of students who are deficient in reading

---

<sup>59</sup> The High Cost of High School Dropouts: What the Nation Pays for Inadequate High Schools. Alliance for Excellent Education, 2011.

<sup>60</sup> Ibid.

<sup>61</sup> Early Warning! Why Reading by the End of Third Grade Matters. The Annie E. Casey Foundation, 2010.

<sup>62</sup> Third-Grade Reading Laws, National Center for Learning & Disabilities.



enrolled in kindergarten, or grades 1-3. Schools must develop a plan to monitor progress of those students who are deficient in reading and assess the proficiency for students who are enrolled in this plan at the beginning of next school year.<sup>63</sup>

AB 289 (2019) revised the RBG3 program. The most notable revisions included an increase in local funding, an expanded scope from K-3 to all grade levels in elementary schools, and a requirement for an assigned literacy specialist. AB 289 (2019) also removed the grade 3 retention requirements.

The Nevada Legislature passed AB 400 (2023), which reinstates RBG3 retention provisions but will not be effective until 2028. School districts and charter schools are required to establish an effective system of implementation of the RBG3 program to ensure all elementary students in Nevada can read proficiently.

### Students at Risk of Being Retained

Fewer than half of Nevada students are meeting proficiency goals. Students who do not read at grade level in third grade are at risk of being retained beginning school year 2028-2029.<sup>64</sup> There are several opportunities for good cause exemptions and students may advance to fourth grade any time during the year if they demonstrate reading proficiency.

Beyond the impact on a student's education and mental health, retention of such a large number of students will place an additional strain on elementary schools, specifically third grade teachers. Under AB 400 (2023), a majority of students could be retained in grade 3, potentially resulting in unrealistic class sizes. Multiple good cause exemptions may be employed at the time of implementation that would mitigate numbers of students retained in grade 3.

### Monitoring Plan Required for Students Performing Below Grade Level

AB 289 (2019) requires school districts and charter schools to implement a monitoring plan for students who are performing below grade level. The individual student literacy plan must include intervention services and instruction the student will receive. The literacy plan is retained at the elementary schools and approved by the school principal.<sup>65</sup>

### NDE to Review Literacy Plans

NDE's RBG3 team requested a submission of literacy plans by all school districts and charter schools during fall of 2022. The NDE RBG3 team is meeting with individual school literacy specialists to assess plan progress and identify local

---

<sup>63</sup> Senate Bill 391 (2023).

<sup>64</sup> Assembly Bill 400 (2023).

<sup>65</sup> Assembly Bill 289 (2019).

literacy needs for the year. A new local literacy plan template is to be released in the spring for fall 2024 submission and implementation.<sup>66</sup>

### Literacy Specialist Required In Each Elementary School

AB 289 (2019) requires all public elementary schools to designate a licensed teacher employed by the school who has demonstrated leadership abilities to serve as a literacy specialist. While statute requires schools to designate a literacy specialist, NDE reports it does not have the capacity to oversee or provide oversight in who is designated a literacy specialist. Specialist qualifications and duties are set by the school principal. However, AB 400 (2023) further clarified literacy specialists and teachers involved in a student's reading success must be knowledgeable and have expertise providing intervention services and intensive instruction to students in reading.

### Teacher Shortage Impacts Success of RBG3 Initiative

The teacher shortage in Nevada impacts the success of the RBG3 initiative. NDE reports the time needed for instruction and intervention with students is being jeopardized by the staffing shortages. NDE reported difficulty hiring licensed teachers for core subjects, making hiring a literacy specialist a lower priority for many schools. NDE reports staffing shortages with literacy specialists is an ongoing problem and directly inhibits school district and charter school efforts to implement effective individualized reading programs for children who need help.

To comply with legislative language, schools have resorted to assigning the role to an available teacher. Due to flexibility in the application of funds, school districts and charter schools may be directing funds to personnel, such as administrators, to support teachers around best practices in reading. For example, a school in Northern Nevada directed the RBG3 funds to a Dean of Students rather than a literacy specialist.<sup>67</sup>

### Teacher Scholarship Opportunities May Help Reduce Shortage

Teacher scholarship opportunities may help reduce the existing shortage and provide an avenue for developing future literacy specialists. Literacy specialists require additional education and training in comprehension, vocabulary, fluency, and word study.<sup>68</sup> NRS 381A provides grant funding for two types of scholarships: an undergraduate degree and an advanced degree. Teach Nevada Scholarships are offered to students pursuing a traditional or alternative route to licensure. Institutions can apply to the Nevada State Board of Education for grant funding for the Teach Nevada Scholarship Program to assist future teachers in obtaining a

---

<sup>66</sup> NDE, RBG3 team.

<sup>67</sup> Ibid.

<sup>68</sup> University of Nevada, Reno, Reading Curriculum and Instruction, M. Ed.

bachelor's degree to teach PK-12 and the Nevada Teacher Advancement Scholarship to obtain a master's degree in education or a related field of study.<sup>69</sup>

In fiscal year 2022, the State Board of Education approved almost \$4 million in scholarship awards. Scholarship recipients may receive an amount not to exceed \$3,000 per semester or \$24,000 in the aggregate.<sup>70</sup> The institution that awards the scholarship shall disburse 75% of the awarded amount to the recipient for the semester.<sup>71</sup> A scholarship recipient may only receive the 25% of the retained scholarship if the scholarship recipient meets the following requirements:<sup>72</sup>

- Completes the program for which he or she was awarded the scholarship;
- Maintains employment as a teacher at a public school in this State for 5 consecutive school years immediately following completion of the program unless the State Board waives this requirement for good cause shown; and
- Meets any other requirements established by the State Board.

Scholarship opportunities can be used to incentivize existing teachers into obtaining the necessary education to become literacy specialists. Nevada's continued struggle to hire qualified teachers demonstrates a need to invest in developing future teachers.

### **Multiple Assessments Used to Evaluate RBG3**

Nevada uses multiple types of assessments to evaluate RBG3 effectiveness. In 2016 the Nevada State Board of Education approved two evidence-based assessments for K-3 students codified by NAC 388.660. The two approved assessments were effective for school year 2017-2018 and every school year after:

- Brigance Early Childhood Screen III is a kindergarten entry assessment and is used to measure student's readiness for kindergarten.
- The Northwest Evaluation Association (NWEA) Measures of Academic Progress (MAP) assessment is used to evaluate student reading proficiency in grades 1-3.

Smarter Balanced Assessment Consortium (SBAC) is used for monitoring progress in grades 4-5. The scores from SBAC are used to identify students reading below grade level. Those students qualify for additional services as mandated by AB 289 (2019).

---

<sup>69</sup> Institutions include universities, colleges, or other providers of an alternative licensure program in Nevada.

<sup>70</sup> NRS 391.A585(1)(f)(2).

<sup>71</sup> NRS 391.A585(1)(f)(3).

<sup>72</sup> NRS 391.A585(1)(f)(4).

## **RBG3 Funding Transitioned to Nevada’s Pupil-Centered Funding Plan**

The Nevada Legislature passed SB 439 (2021) affecting Nevada’s Pupil-Centered Funding Plan (PCFP). RBG3 funding became part of Nevada’s PCFP allocation instead of a state categorical appropriation. This change provides greater flexibility to school districts and charter schools in using funds to implement RBG3 requirements.

### ***Conclusion***

RBG3 statutory guidelines are intended to provide appropriate resources for the range of reading skills of Nevada students, including literacy specialists to guide school reading programs. The RBG3 program aims at accelerating reading growth of students reading below grade level in kindergarten through third grade.

School literacy plans approved by NDE are taking shape as the program moves forward after the COVID-19 Pandemic, and must address declining reading proficiency. Schools struggle to hire teachers for core subjects, making finding a qualified literacy specialist a lower priority for many. Teacher scholarship opportunities are available and can help provide a path for developing future literacy specialists. Fewer than half of Nevada students are meeting the proficiency goal and are at risk of being retained in the future. Without proper intervention and intensive instruction, students may fall behind and be retained in third grade or alternatively be promoted without the fundamental prerequisites for success.

## ***Evaluate the Adequacy of Read by Grade 3 Goal***

NDE should evaluate the adequacy of Nevada's Read by Grade 3 (RBG3) goal. A higher goal will align Nevada with other states and prioritize the skills necessary to assist students' success throughout their academic careers.

Nevada's goal is 43.3% of third graders reading at grade level in 2025. Schools are considered successful if they increase their score by 5% annually; however, RBG3 scores have declined over the last three years.

### Student Individualized Reading Growth Prioritized

NDE's priority is assessing student performance based on personalized learning growth goals. Currently, the Nevada State Board of Education has set the RBG3 indicator to qualify for intensive instruction as "at or below the 40<sup>th</sup> percentile" on the MAP Growth Reading assessment. Students who score at or below the 40<sup>th</sup> percentile are at risk of being retained in grade 3 under the guidelines of AB 400 (2023).<sup>73</sup>

Scoring at or above the 65<sup>th</sup> percentile is considered reading at grade level pursuant to the Acing Accountability initiative. Scoring at or below the 40<sup>th</sup> percentile for grade level reading triggers intervention. Students at or below the 40<sup>th</sup> percentile are deemed vulnerable to not reaching the 65<sup>th</sup> percentile without intensive intervention.

For school year 2022-2023:

- 56% of students in kindergarten through grade 3 scored at or above the 40<sup>th</sup> percentile.
- 44% of students in kindergarten through grade 3 scored below the 40<sup>th</sup> percentile.

### **Acing Accountability Introduces Performance Metrics**

NDE reports under the Acing Accountability initiative, students are considered to be reading at grade level if they score at or above the 65<sup>th</sup> percentile. NDE reports the goal is to get 43.3% of students reading within the 65<sup>th</sup> percentile by 2025.

NDE is implementing performance metrics through the Acing Accountability initiative introduced in 2023.<sup>74</sup> Accountability measures for grade 3 literacy include K-3 literacy growth and K-3 literacy proficiency:

---

<sup>73</sup> NDE reports the 40<sup>th</sup> percentile indicator was set by the Nevada State Board of Education in 2017.

<sup>74</sup> Senate Bill 98 (2023) requires the Superintendent of Public Instruction to establish performance metrics for each grade for: 1) The growth and proficiency of pupils in literacy, mathematics, and science; 2) The engagement and proficiency of pupils in courses for college and career readiness; and 3) The retention and recruitment of teachers and education support professionals.

- K-3 Literacy Growth
  - At least 65% of students in the school district and SPCSA meeting or improving their personalized learning growth goal in reading.<sup>75</sup>
- K-3 Literacy Proficiency
  - Increasing the number of students in the school district and SPCSA demonstrating grade-level proficiency in reading.
  - Spring MAP results show at least a five-point annual increase in the percentage of students in the school district and SPCSA demonstrating proficiency (at or above the 65<sup>th</sup> percentile).

For school year 2022-2023:

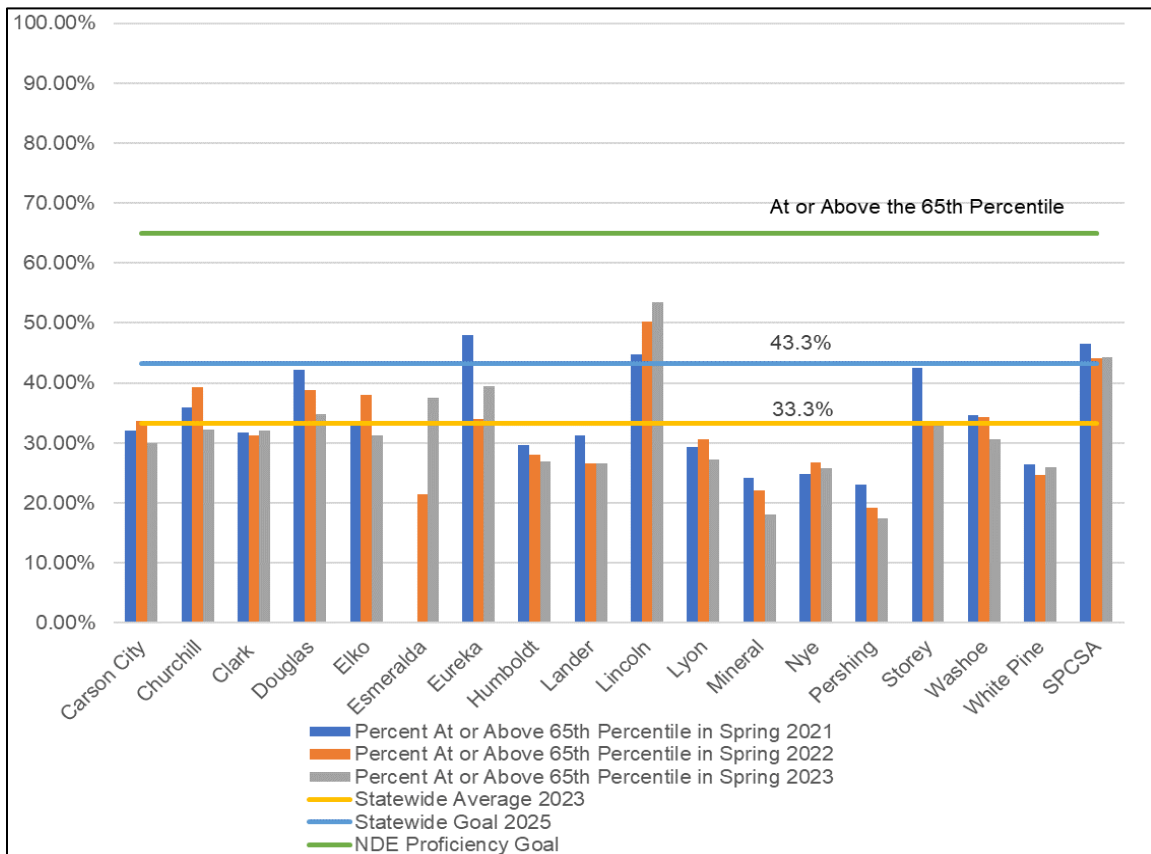
- 33.3% of students scored at or above the 65<sup>th</sup> percentile (grade level).

Exhibit 4.1 shows NWEA’s MAP growth assessment for 2021, 2022, and 2023 in comparison to performance metrics.

**Exhibit 4.1**

**NWEA MAP Growth Assessment**

Source: NDE and NWEA reports.



<sup>75</sup> Personalized learning growth goals are determined by individual results from the fall administration of MAP for kindergarten students and the spring administration of MAP for 1-3 grade students. Outcomes are evaluated based on the spring administration.

## **RBG3 Program Underperforming Statewide**

Nevada's RBG3 is underperforming statewide; proficiency rates are below the 65<sup>th</sup> percentile. Nevada's RBG3 results show over half of Nevada's students are not reading proficiently at grade level.

### Fewer Than Half of Nevada Students Read at Grade Level

Reading proficiency in third grade is an indicator of school and career success. About 2 of every 3 students in a district school were not reading at grade level in school year 2022-2023. About half of students in charter schools were not reading at grade level. All Nevada public schools are required to submit RBG3 data to NDE; however, not all schools comply. School districts and charter schools should comply with statutory reporting requirements to NDE. NDE provided RBG3 data submitted for the years under review by those school districts and charter schools that provided the required information.

## **Nevada's RBG3 Goal Significantly Lower than Other States**

Each state sets its own RBG3 goal to align with its priorities, funding commitment, and unique needs.<sup>76</sup> Nevada's RBG3 goal is significantly lower than comparable states:

- Nevada's goal is 43.3% at or above the 65<sup>th</sup> percentile by 2025.
  - 33.3% of students read at grade level in 2023.
  - 53% of charter school students read at grade level in 2023.
- Utah's goal is 70% by 2027.
  - 48% of students read at grade level in 2023.
- Indiana's goal is 95% by 2027.
  - 82% of students passed the 2023 IREAD-3 test.
- Virginia's goal is 88%.
  - 66% of students read at grade level in 2023.
- Florida's goal is 100%.
  - 53% of students read at grade level in 2023.
- Ohio's goal is 100%.
  - 60% of students read at grade level in 2023.

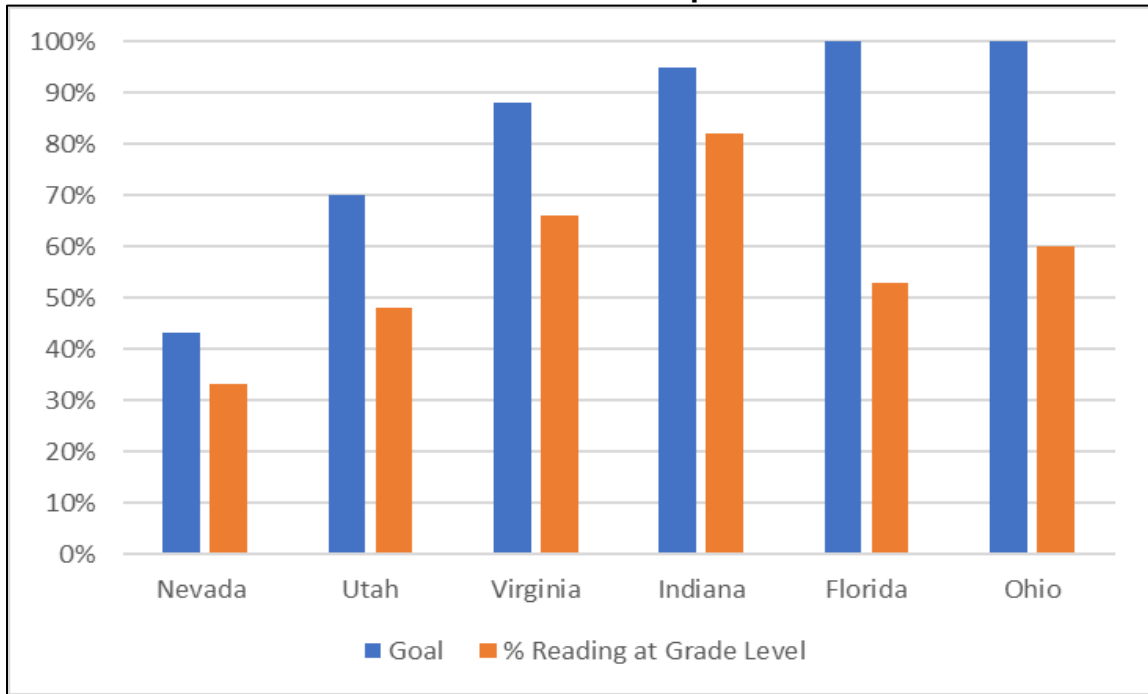
See Exhibit 4.2 for RBG3 state goal comparison.

---

<sup>76</sup> States may use different benchmarks for the score a student needs to achieve to be considered "proficient" reading at grade-level. The challenge in comparing states' goals in terms of the percent of their students who score "proficient" is that each state has its own unique definition for the skills necessary to be at "grade-level". Further, states measure proficiency with different tests, including the assessment type (fixed or adaptive) and variances in the number and types of items on the test. The proficiency determinations of those tests can also be different based on the unique standards setting process of each state.

## Exhibit 4.2

### RBG3 State Goal Comparison



Source: DIA survey and analysis of other states.

### Nevada School District RBG3 Scores Lower Than State Goal

Nevada school district RBG3 average proficiency scores have trended downward. The school district average proficiency scores for the last five school years are:

- School year 2022-2023, school district average proficiency was 33.3%.
- School year 2021-2022, school district average proficiency was 36.2%.
- School year 2020-2021, no testing due to COVID-19 Pandemic.
- School year 2019-2020, no testing due to COVID-19 Pandemic.
- School year 2018-2019, school district average proficiency was 41.2%.

### COVID-19 Pandemic Impacted Student Learning

The COVID-19 pandemic significantly impacted student learning. Third graders scored lower in the 2021-2022 and 2022-2023 school years than they did in the 2018-2019 school year. Pre-pandemic reading levels were near the 2025 goal but have been trending downward. Most students are not proficient in reading at third grade level and the majority of school districts are performing below the state goal.



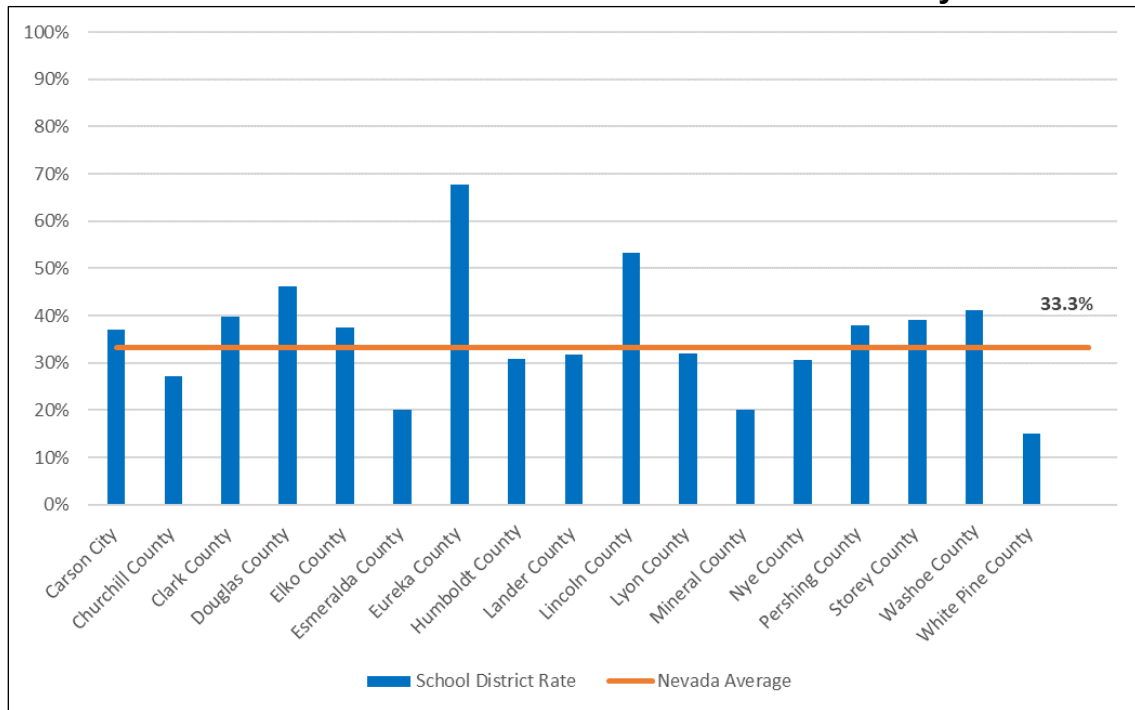
Underperforming Districts  
Have Not Made Major Improvements

Underperforming districts have not made major improvements over the course of three tested years. School districts have been unable to meet the already low state goal. Data shows proficiency rates continue to trend downward. Statute requires schools to provide intensive intervention to prevent students from falling behind.

Some schools do not have a literacy specialist on site due to staff shortages. Other schools are delegating the role of literacy specialist to available staff. Literacy specialists are vital to school districts and help students become better readers and improve proficiency scores. Exhibits 4.3 – 4.5 show RBG3 proficiency scores for tested years.

**Exhibit 4.3**

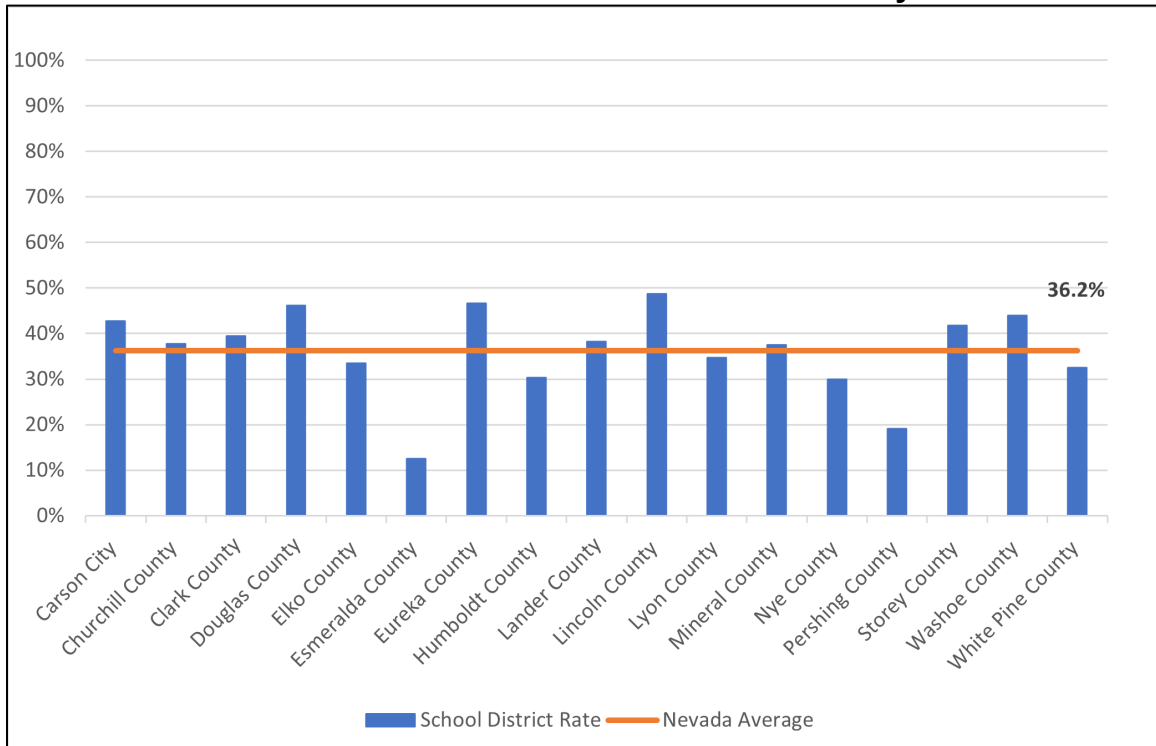
**2022-2023 School District RBG3 Proficiency**



Source: NDE.

**Exhibit 4.4**

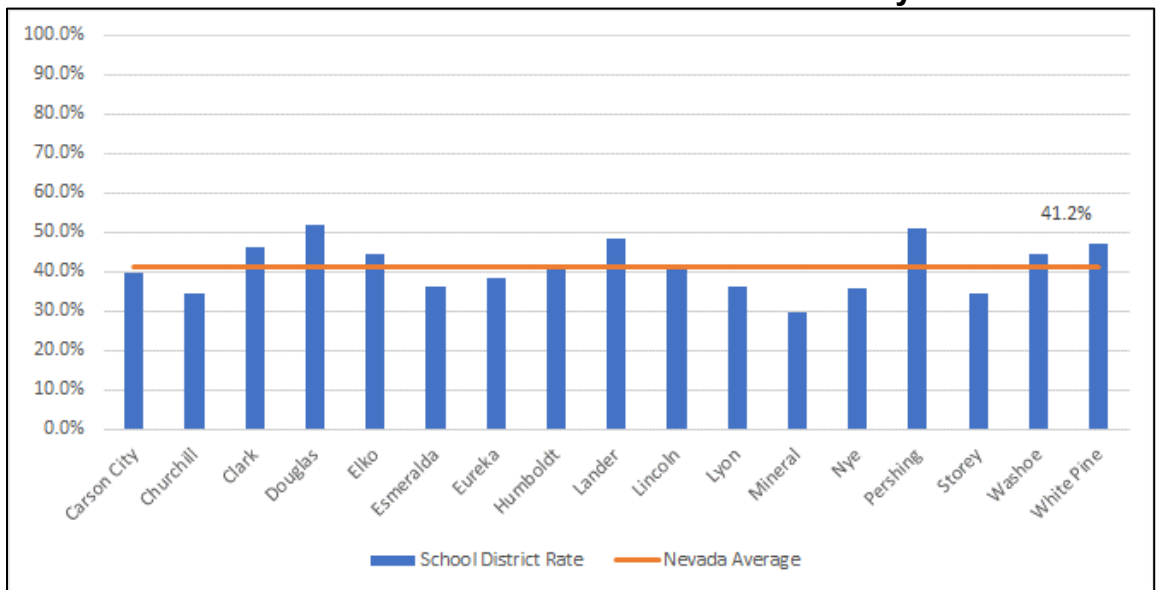
**2021-2022 School District RBG3 Proficiency**



Source: NDE.

**Exhibit 4.5**

**2018-2019 School District RBG3 Proficiency**



Source: NDE.

### Charter Schools RBG3 Scores Higher Than School Districts

Charter schools have a higher RBG3 proficiency average than school districts and about half attained the Nevada state goal. While charter schools outperform school districts, their scores have also declined in comparison to pre-pandemic levels. The charter school average proficiency scores for the last five school years are:

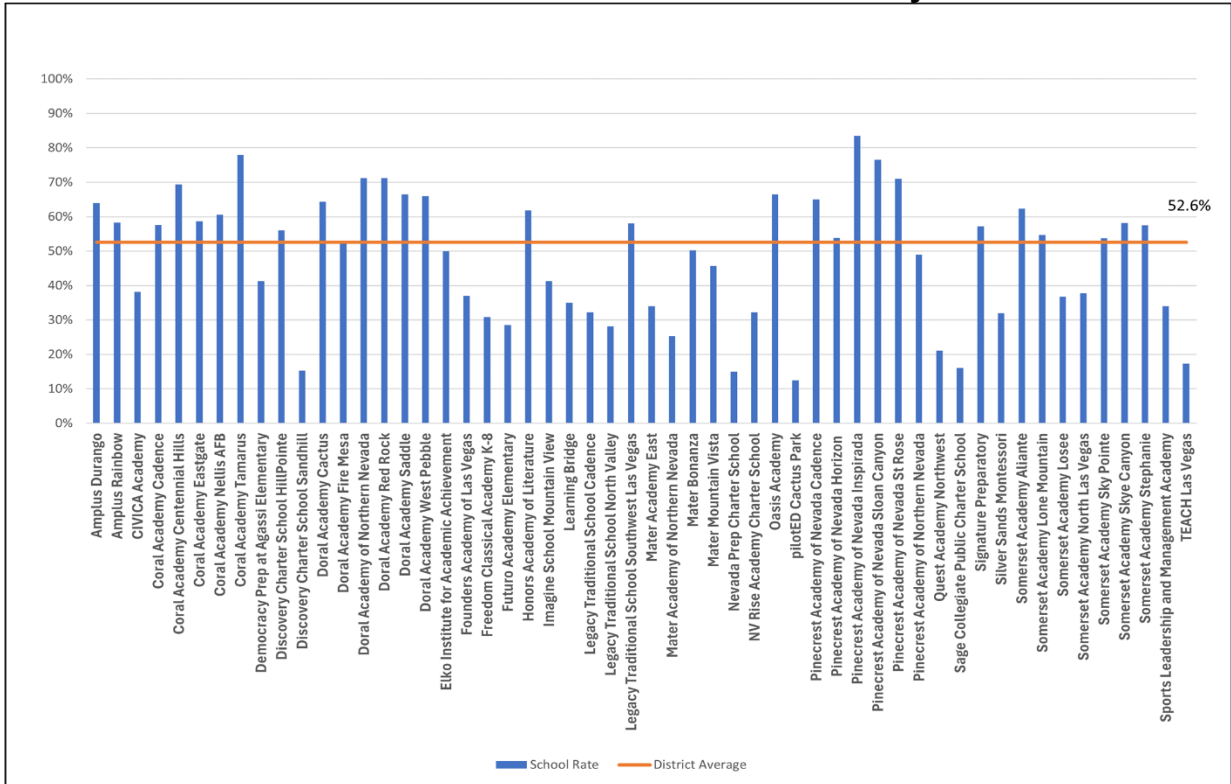
- School year 2022-2023, charter school average proficiency was 52.6%.
- School year 2021-2022, charter school average proficiency was 51.8%.
- School year 2020-2021, no testing due to COVID-19 Pandemic.
- School year 2019-2020, no testing due to COVID-19 Pandemic
- School year 2018-2019, charter school average proficiency was 56.7%.

SPCSA can work with charter schools to assist them with tools and resources to help improve reading scores. The number of charter schools is expanding while SPCSA staff support remains the same. In a discussion with SPCSA staff, it was noted SPCSA has one staff position who serves as a point of contact for the RBG3 program. SPCSA may need to expand staff to ensure all charter schools are in compliance with the literacy specialist requirement.

Exhibits 4.6 – 4.8 show RBG3 proficiency scores for tested years.

## Exhibit 4.6

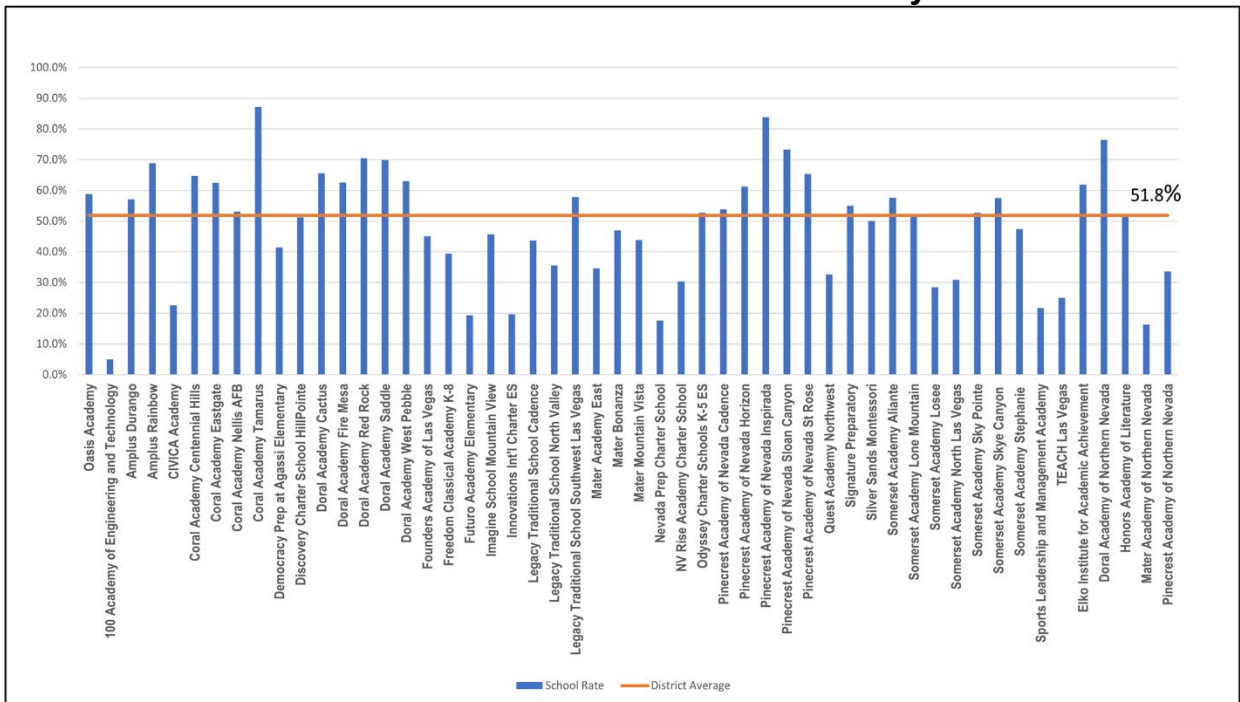
### 2022 – 2023 Charter School RBG3 Proficiency



Source: DIA analysis of Read by Grade 3 proficiency rates for school year 2022-2023.

## Exhibit 4.7

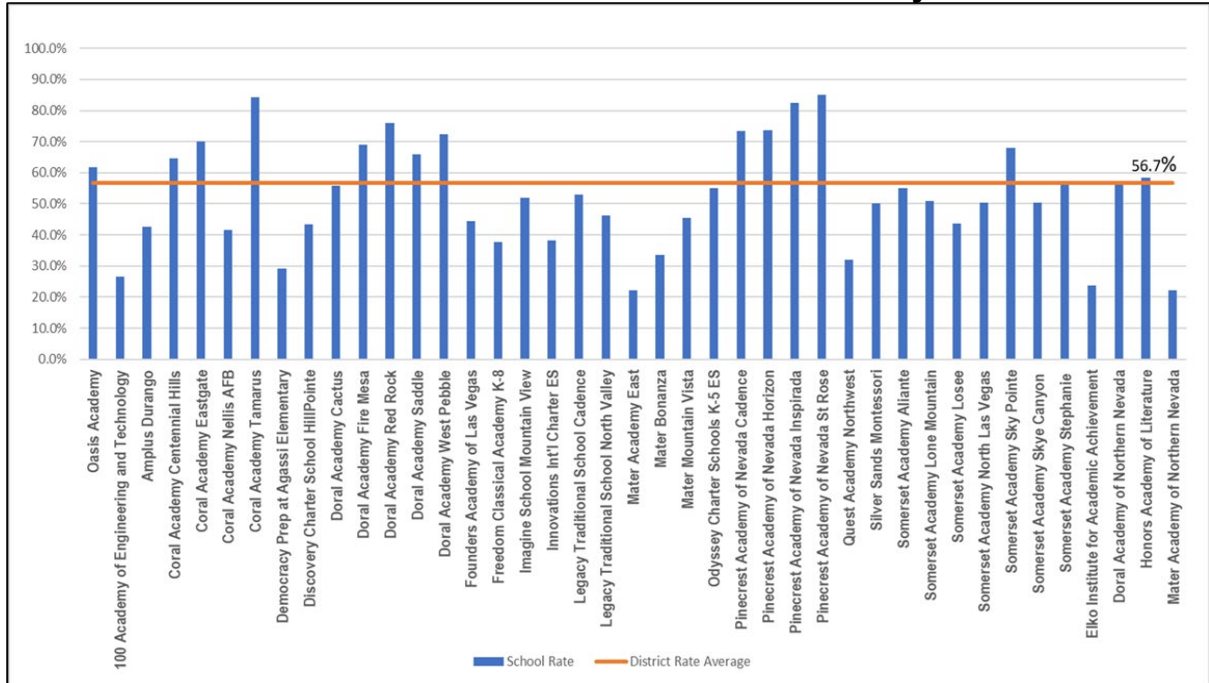
### 2021 – 2022 Charter School RBG3 Proficiency



Source: DIA analysis of Read by Grade 3 proficiency rates for school year 2021-2022.

## Exhibit 4.8

### 2018 – 2019 Charter School RBG3 Proficiency



Source: DIA analysis of Read by Grade 3 proficiency rates for school year 2018-2019.

### Reading Proficiency Requires Practice Beyond the Classroom

Proficiency in reading requires practice beyond the classroom. Parents can emphasize the importance of reading and comprehension skills outside the classroom by working with their children at home. One study shows children who have parental involvement and support in their development of reading skills are more likely to have better phonological awareness.<sup>77</sup> Students will be more likely to perform better on reading tasks and activities.



*Inc Magazine*

Parents that encourage reading for 30 minutes with age-appropriate books selected by the child help make reading an enjoyable activity. Studies have shown the more words in a child's language world, the more words they will learn; the stronger their language skills are when they reach kindergarten, the more prepared they are to be able to read; and the better they read, the more likely they are to graduate from high school.<sup>78</sup> Reading helps children improve vocabulary and communication skills, which helps them academically, and encourages the child to develop a lifelong love for reading.

<sup>77</sup> Brandon University Journal of Graduate Studies in Education, Volume 10, Issue 2, 2018.

<sup>78</sup> Benefits & Importance of Reading to Children: Children's Bureau, 2023.

## ***Update Statute to Allow NDE to Hire Literacy Specialists to Coordinate Read by Grade 3 Efforts and Train at School-level***

NDE should request an amendment to NRS 388 to allow NDE to hire literacy specialists for district schools that receive a 3-Star rating or below to coordinate RBG3 efforts and train licensed teachers at school-level.<sup>79</sup> A state-level specialist would assist in training school-level literacy specialists. All other literacy specialists should be hired at the district level. Statute requires schools to provide intensive intervention to students not meeting the proficiency goal to prevent students from falling behind. District-level specialists will allow schools in underperforming districts to share ideas and tools that contribute to their success. Updating statute to allow NDE to hire and provide professional learning for literacy specialists for district schools that receive a 3-Star rating or below, and to have districts hire literacy specialists for all other elementary schools, would allow for coordinated efforts among the different schools.

Hiring literacy specialists has not been the top priority for schools that are not fully staffed overall, resulting in many schools unable to fill the role of a literacy specialist. State and district-level specialists would facilitate training licensed teachers to fill the role until filled by a qualified literacy specialist with the appropriate background. Having state and district-level specialists could also assist NDE with monitoring literacy plans to develop specific guidance to assist the schools in effectively supporting students. Currently, NDE is only required to review and provide feedback on literacy plans. Literacy specialists at the state and district level could allow for a more hands-on approach and implementation.

### ***Conclusion***

Nevada's goal for RBG3 may be inadequate and holds students to a lower standard than other states. Reading proficiency by third grade is an important predictor of school and career success, yet almost 60% of public-school students are expected to miss the crucial milestone each year. Nevada students struggle to read at grade level and RBG3 proficiency averages have been declining during the years tested. Ensuring all schools have access to a qualified literacy specialist will support the RBG3 goal. NRS 388 should be revised to define the role and criteria of a literacy specialist along with RBG3 funding requirements.<sup>80</sup>

---

<sup>79</sup> NRS 388.159, System of Public Instruction, Literacy specialist: Designation; additional compensation; provision of professional development in subject area of reading; regulations.

<sup>80</sup> NRS 388, System of Public Instruction.

## ***Revise the Strategy for Implementing an Effective Individuals with Disabilities Education Act Program***

NDE’s Office of Inclusive Education (OIE) should revise the strategy for implementing a more effective Individuals with Disabilities Education Act (IDEA) program to improve Nevada’s performance for students with disabilities. Revising the strategy gains OIE a focused and proactive approach to providing technical assistance activities for an effective program and improved student outcomes.

### **Annual State Performance Plans Required**

State Performance Plans are required pursuant to IDEA, which requires states to develop and submit a State



Performance Plan (SPP) to the U.S. Department of Education (DOE) Office of Special Education Programs (OSEP).<sup>81</sup> The SPP is designed to evaluate the state's efforts to implement the requirements and purposes of IDEA. States are required to publicly report on the performance of school districts. DOE issues determinations annually for states on implementation of IDEA.

### **State’s Implementation of IDEA “Needs Assistance”**

In June 2023, DOE issued its 2023 determination of “Needs Assistance” to NDE for their implementation of IDEA.<sup>82</sup> DOE determined NDE’s implementation of IDEA “Needs Assistance” for the last three years.<sup>83</sup> IDEA requires DOE to issue an annual determination based on Nevada’s SPP and Annual Performance Report (APR) that evaluates Nevada’s efforts to implement the requirements and purposes of IDEA, and describes how Nevada can improve implementation.

#### “Needs Assistance” Score Determined by Accountability Matrix

“Needs Assistance” scores are determined by an accountability matrix. These scores measure the IDEA determination by using a results-driven accountability matrix (RDA) scored by DOE. The matrix includes results and compliance components, which combine to calculate the RDA percentage and state

---

<sup>81</sup> Special education and related services have been part of school systems since 1975 when the rights of students with disabilities to attend public schools were legally recognized under the Education for All Handicapped Children Act (EHA), Public Law 94-142. The name of EHA was changed to the Individuals with Disabilities Education Act (IDEA) in 1990. An amendment in 1997 required all students with disabilities to participate in state and district-wide assessments alongside their peers in general education. IDEA includes Part B special education services for ages 3-21 and Part C early intervention services for birth through age 2.

<sup>82</sup> Part B includes the participation rate percentage of children with IEPs participating in the assessments; participation and assessment scores by 4<sup>th</sup>, 8<sup>th</sup>, and 11<sup>th</sup> grades; and proficiency rates for children with IEPs against grade level academic achievement standards.

<sup>83</sup> Letters are issued in June for the Federal Fiscal Year (FFY). DIA reviewed letters issued in 2021, 2022, and 2023 which covered FFYs 2019, 2020, and 2021.

determination.<sup>84</sup> There are 14 results indicators that can earn 1 or 2 points for a total of 24 points. There are 10 compliance indicators that can each earn 2 points for a total of 20 points.

The 2023 DOE determination for a state’s IDEA implementation is assessed as:

- “Meets Requirements” – the RDA percentage is above 80%.
- “Needs Assistance” – the RDA percentage is between 60% and 80%.
- “Needs Intervention” – the RDA percentage is less than 60%.
- “Needs Substantial Intervention” – specific criteria not identified.

NDE provided the 2023 accountability matrix for DOE’s determination of Nevada’s IDEA implementation. The results component earned 13 out of 24 points (54%) and the compliance component earned 16 out of 20 points (80%). The components average is 67%, resulting in a “Needs Assistance” determination.

### **Assessment Results Indicate Improvement is Needed**

Reading and mathematics assessment results indicate improvement is needed to meet the NDE-set proficiency targets.<sup>85</sup> Most school districts failed to meet the NDE-set proficiency targets in school years 2021 and 2022:

- 56% of school districts failed to meet the grade 4 Mathematics Assessment target in school year 2021 for students with Individualized Education Plans (IEP).<sup>86</sup>
- 71% failed to meet the grade 4 Mathematics Assessment target in school year 2022 for students with IEPs.
- 81% of school districts failed to meet the grade 4 Reading Assessment target in 2021 for students with IEPs.
- 75% failed to meet the grade 4 Reading Assessment target in 2022 for students with IEPs.<sup>87</sup>

Exhibits 4.8 – 4.9 show school district mathematics and reading assessment results for students with IEPs.

---

<sup>84</sup> Scoring of the compliance matrix uses the cumulative possible number of points as the denominator and the actual points the State received as the numerator. The Compliance Matrix reflects a Compliance Score that is combined with the Results Score to calculate the State’s RDA Percentage and Determination.

<sup>85</sup> The state targets for mathematics in school year 2020-2021 are: grade 4/17%; grade 8/5%; grade 11/4%. The state targets for mathematics in school year 2021-2022 are: grade 4/18%; grade 8/6%; grade 11/5%. The state targets for reading in school year 2020-2021 are: grade 4/18%; grade 8/9%; grade 11/9%. The state targets for reading for school year 2021-2022 are: grade 4/19%; grade 8/10%; grade 11/10%.

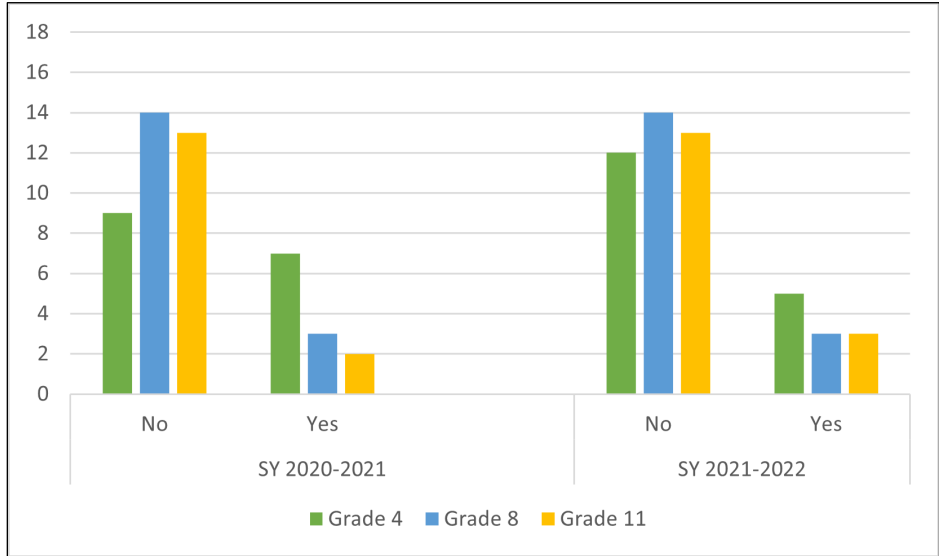
<sup>86</sup> An Individualized Education Plan (IEP) helps children with disabilities by providing personalized resources to help them be more successful in school. An Individualized Education Plan (IEP) is a legal document developed for each public school child in the United States who needs special education. It is created through a team of the child’s parent(s) and district personnel who are knowledgeable about the child’s needs. The IEP is a written document that outlines the student’s educational needs and goals and any programs and services the school district will provide to help the student make educational progress. The IEP must be designed for one student and must be a truly individualized document.

<sup>87</sup> The school district performance indicator data for school years 2020-2022 show reading and mathematics scoring indicating a “yes” or “no” to meeting the targeted proficiency rate set by NDE. These percentages are totaled for all districts and reported to DOE.



**Exhibit 4.8**

**School District IDEA Mathematics Assessment Proficiency for Students with IEPs, Target Results, School Years 2021 and 2022**



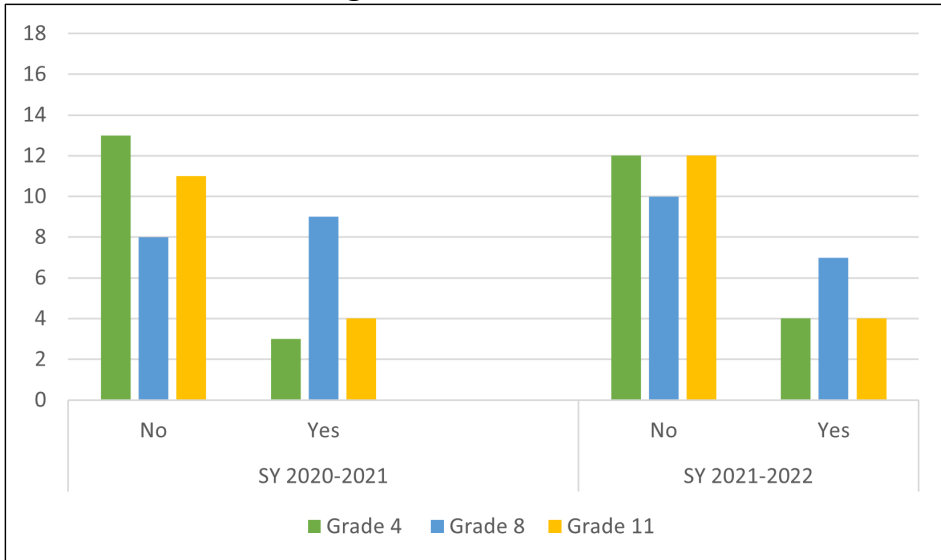
Source: NDE Unsuppressed Data Reports.

Notes: <sup>a</sup> School year 2021 does not include one 4<sup>th</sup> grade and two 11<sup>th</sup> grade district assessments because there were fewer than 10 students tested and results were suppressed.

<sup>b</sup> School year 2022 does not include one 11<sup>th</sup> grade district assessment because there were fewer than 10 students tested and results were suppressed.

**Exhibit 4.9**

**School District IDEA Reading Assessment Proficiency for Students with IEPs, Target Results, School Years 2021 and 2022**



Source: NDE Unsuppressed Data Reports.

Notes: <sup>a</sup> School year 2021 does not include one 4<sup>th</sup> grade and two 11<sup>th</sup> grade district assessments because there were fewer than 10 students tested and results were suppressed.

<sup>b</sup> School year 2022 chart does not include one 11<sup>th</sup> grade district assessment because there were fewer than 10 students tested and results were suppressed.

The assessment results indicate students with IEPs struggle to meet the NDE-set proficiency targets in 4<sup>th</sup>, 8<sup>th</sup>, and 11<sup>th</sup> grades in reading and mathematics. Failing to meet the NDE-set targets contributes to the determination issued by DOE.

### **“Needs Assistance” Scores Require Enforcement Actions**

Nevada IDEA has been designated as “Needs Assistance” for two or more consecutive years and requires taking one or more enforcement actions. Per CFR 300.603(b)(1)(ii):

- Nevada may choose to access federally funded, DOE-approved technical assistance to address deficient areas.
- DOE may choose to:
  - Identify Nevada as a high-risk grantee and impose special conditions on the grant.
  - Direct the use of state funds to the area(s) where the state needs assistance.

Currently Nevada has the flexibility to use the least invasive option of requesting technical assistance with OSEP approval. Lack of improvement could lead to OSEP imposing the more restrictive options of special conditions or directing funding. Nevada has opted for technical assistance as the enforcement action for the last three years.<sup>88</sup> NDE reports OSEP has not indicated it intends to impose more restrictive options. However, Nevada needs to take proactive measures to prevent a change in their determination to “Needs Intervention,” which could trigger more invasive enforcement actions by DOE.

### **Technical Assistance Strategy Has Not Changed**

Nevada is required to report the effectiveness of the technical assistance strategy. NDE reported the same strategy for the years the audit reviewed and there has been no improvement in outcomes. The report language was identical for the three years reviewed, indicating no discernable shift in the strategy.

### **Charter School IEP Population Significantly Lower**

Charter schools have a lower but growing enrollment of students with IEPs. In the 2021-2022 school year, the charter school average student population with IEPs was 10.89% compared to the statewide average of 13.71%. There are fewer students with IEPs enrolled in charter schools due, in part, to enrollment caps at each school. While students with IEPs can attend charter schools, NRS requires a lottery be used to fill open seats when there are more applicants than seats available. This system, in part, explains the discrepancy. The SPCSA continues to work towards an enrollment of students served by IEPs consistent with the state average.

---

<sup>88</sup> DIA reviewed the 2021-2023 determinations. Previous years (2017-2020) also indicate “Needs Assistance” but were out of the scope of the audit.

## ***Conclusion***

Nevada's federal determination of IDEA implementation continues to be "Needs Assistance." Assessment test results indicate that improvement is needed to meet NDE-set proficiency goals for mathematics and reading. There has been no documented shift in Nevada's strategy to improve the IDEA program and DOE has not yet taken more invasive actions to guide implementing the IDEA program. DOE intervention to direct how Nevada IDEA funding is used would significantly restrict school district and charter school autonomy and flexibility.

NDE aims to understand requirements and changes needed to improve DOE's determination of IDEA implementation. Technical assistance provided to school districts can be more fully reported to demonstrate the effort and effectiveness of the IDEA program. The assistance offered to school districts can best be focused on improving outcomes, which will improve the federal determination of "Needs Assistance."

## ***Recommendations***

- 4.1. Adhere to statutory intent for Read by Grade 3 implementation guidelines. (Nevada Department of Education)
- 4.2. Evaluate the adequacy of the Read by Grade 3 goal. (Nevada Department of Education)
- 4.3. Ensure all school districts comply with Read by Grade 3 reporting requirements. (Nevada Department of Education)
- 4.4. Update statute to allow NDE to hire literacy specialists to coordinate Read by Grade 3 efforts and train at school-level. (Nevada Department of Education)
- 4.5. Revise the strategy for implementing an effective Individuals with Disabilities Education Act program. (Nevada Department of Education)

---

---

## Chapter 5

# Support Services Accountability

---

---

The current state of public school support services accountability in Nevada can be improved. The Nevada Department of Agriculture (NDA) should work with school districts and charter schools to improve support services accountability by:

*5.1. Expanding participation in the Community Eligibility Provision of the National School Lunch Program and School Breakfast Program.*

Expanding participation in the Community Eligibility Provision of the National School Lunch Program and School Breakfast Program will ensure federal meal reimbursement funds are maximized to provide meals at no cost to Nevada students, reduce food insecurity, and improve educational outcomes; and

*5.2. Improving support services training and reporting.*

Improving support services training and reporting will enhance accountability of school support services, maximize federal reimbursement funds, and ensure the health and safety of students through compliance with local, state, and federal food safety and nutrition requirements.

### **Support Services Reports Submitted by School Districts and Charter Schools**

In response to the Governor's Executive Order 2023-005, school districts and charter schools submitted a wide array of financial and programmatic reports. This chapter focuses on support services accountability. The reports examined in preparing this chapter were audits and reviews of school food and nutrition operations and financial reports related to school meals. Interviews were conducted with leadership and staff of NDA, Nevada Department of Education (NDE), State Public Charter School Authority (SPCSA), and public school officials.

## ***Expand Participation in the Community Eligibility Provision of the National School Lunch Program and School Breakfast Program***

The Nevada Department of Agriculture (NDA) should work with public schools to expand participation in the Community Eligibility Provision of the National School Lunch Program and the School Breakfast Program. Expanding participation will increase the number of school meals available at no cost to students, enhance academic achievement, and ensure the maximum amount of federal funds are received to fund student meals in Nevada.

### **Federal Funds Are Available to Subsidize Nevada School Meals**

Federal funds are available to subsidize the cost of student meals served in Nevada schools. The Community Eligibility Provision (CEP) of the National School Lunch Program and School Breakfast Program is a federal provision that allows eligible schools to provide breakfast and lunch to all students, at no cost to the students, without the need to collect individual meal applications. CEP simplifies the process of providing meals to students and aims to ensure that students in high-need areas have access to nutritious meals. Key features of CEP include:

- **Universal Free Meals:** CEP allows schools to offer meals to all students free of charge, regardless of their individual family income. The federal government provides financial support to schools participating in CEP to cover some or all the cost of providing free meals;
- **Reduced Administrative Burden:** CEP streamlines the administrative process for school meal eligibility, as there is no requirement to collect and process meal applications. CEP uses existing data on eligible students, from multiple sources, based on family participation in certain federal needs-based programs;
- **Reduced Food Insecurity:** Families with access to free school meals through CEP may see declines in their monthly grocery spending by as much as 19% and CEP is associated with a nearly 5% decline in households experiencing food insecurity;<sup>89</sup> and
- **Elimination of Stigma:** By providing free meals to all students, CEP helps eliminate stigma associated with receiving free or reduced-price meals.

CEP is available to schools with a high enough proportion of students who are directly certified to receive free meals due to their participation in government assistance programs. The program helps ensure that all students receive the meals they need to support their health and academic performance.

---

<sup>89</sup> The Effect of Free School Meals on Household Food Purchases: Evidence from the Community Eligibility Provision. Marcus M, Yewell KG. National Library of Medicine: [pubmed.ncbi.nlm.nih.gov/35792362/](https://pubmed.ncbi.nlm.nih.gov/35792362/)

## **CEP Eligibility Determined by Identified Student Percentage**

To participate in CEP, a school (or group of schools if jointly qualifying) must have an Identified Student Percentage (ISP) that exceeds a specific eligibility threshold. Effective October 26, 2023, the threshold is 25%; at least one quarter of the student population must qualify for government assistance to be eligible. Identified students are those who are directly certified for free meals without submitting a household application. Schools identify these students using existing federal data on participation in government assistance programs, such as the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), or the Food Distribution Program on Indian Reservations. Other identified student populations include those experiencing homelessness, Medicaid-eligible, and those receiving foster care.



A school's ISP is a key factor in determining federal reimbursement for school meals through the National School Lunch Program and the School Breakfast Program. These programs are administered by the USDA and provide funding to schools to offer nutritious meals to students.

### CEP Participation Reduces Paperwork and Costs

Participating in CEP reduces paperwork and costs associated with administering school meals. Once eligible for CEP, a school can provide breakfast and lunch to students without the need to distribute, collect, and verify meal applications from households. CEP eliminates the printing and distribution costs of household applications. Not all families will apply but an application must be made available at schools not qualified for CEP, resulting in applications printed that will never be submitted. For example, Clark County School District (CCSD) printed and distributed over 300,000 household applications annually prior to implementing CEP district-wide.

CEP participation also eliminates administrative costs associated with processing and verifying household applications. For example, CCSD used to hire 20 temporary employees at the start of each school year to assist with application processing and verification. Since participating in CEP district-wide, there is no longer a need to hire temporary employees to process and verify household applications. Additionally, CCSD reduced the number of full-time equivalent (FTE) positions that worked exclusively on household applications and related tasks from 1.5 to 0.5 FTEs. Schools and districts participating in CEP benefit from administrative cost savings.

## Federal Reimbursement Determined by ISP

The amount of federal reimbursement funds for school meals at participating CEP schools is determined primarily by the school's ISP. The ISP is calculated by dividing the total number of identified students by the total number of enrolled students. This percentage represents the portion of students who are eligible for free meals through direct certification.

Schools with a higher ISP will receive a larger federal reimbursement. The ISP is multiplied by the USDA-set rate of 1.6 to determine the percentage of meals reimbursed at the federal free meal rate. The free meal rate is the highest federal reimbursement rate. For all meals to be reimbursed at this rate, a school must have an ISP of at least 62.5% ( $62.5\% \times 1.6 = 100\%$ ). Consequently, CEP-qualified schools with a high-enough ISP (62.5%) will receive all meals reimbursed at the federal free rate.



## USDA Determines Meal Reimbursement Rates and Additional Funds Are Available Based on Need and Performance

USDA determines school meal reimbursement rates based on several factors. These reimbursement rates are adjusted annually to reflect changes in the Food Away From Home series of the Consumer Price Index for All Urban Consumers. The amount of money the federal government reimburses schools for meals served to students in the National School Lunch Program and School Breakfast Program are referred to as “national average payments.”

An extra reimbursement of \$.08 per lunch is available for schools that qualify. The extra \$.08 per lunch is a performance-based reimbursement provided to schools that are certified to be in compliance with USDA-determined meal patterns.<sup>90</sup> An additional per-lunch reimbursement of \$.02 is required to be provided if 60% or more of a school's lunches are free or reduced-price.

Schools where at least 40% of meals served were free or reduced-price during the second preceding school year, qualify for “severe need” school breakfast reimbursements. Rates are in effect from July 1 through June 30 (school year). Exhibit 5.1 shows the reimbursement rates for meals and milk during school year 2023-2024.

---

<sup>90</sup> The Healthy Hunger-Free Kids Act initially provided an additional \$.06 per lunch reimbursement, which was increased to \$.08 in 2012.

**Exhibit 5.1**

**USDA Meal and Milk Reimbursement Rates  
School Year 2023-2024, in Dollars**

<u>School Lunch</u>		<u>Less Than 60%</u>		<u>60% or More</u>		<u>Maximum Rate</u>	
<u>(Contiguous States)</u>	<u>Less Than 60%</u>	<u>Plus 8 Cents</u>	<u>60% or More</u>	<u>Plus 8 Cents</u>	<u>Maximum Rate</u>	<u>Plus 8 Cents</u>	<u>Plus 8 Cents</u>
Paid	0.40	0.48	0.42	0.50	0.48		0.56
Reduced-Price	3.85	3.93	3.87	3.95	4.02		4.10
Free	4.25	4.33	4.27	4.35	4.42		4.50

<u>School Breakfast</u>			<u>Special Milk Program</u>			
<u>(Contiguous States)</u>	<u>Non-Severe Need</u>	<u>Severe Need</u>	<u>(All States)</u>	<u>All Milk</u>	<u>Paid Milk</u>	<u>Free Milk</u>
Paid	0.38	0.38	Non-Pricing Programs	0.2625	N/A	N/A
Reduced-Price	1.98	2.43	Without Free Option	0.2625	N/A	Avg Cost per 1/2 Pint
Free	2.28	2.73	With Free Option	N/A	0.2625	N/A

Sources: USDA; Richard B. Russell National School Lunch Act; and Child Nutrition Act of 1966.

The exhibit shows the maximum federal meal reimbursement rate is \$4.50 (including \$.08 performance-based reimbursement) per lunch and \$2.73 per breakfast. This is the amount a school will be reimbursed per meal, regardless of the actual cost to provide the meal. Schools with a higher percentage of students receiving federal assistance benefit from this USDA reimbursement methodology in two ways:

- The higher percentage of students receiving federal assistance results in a higher ISP, which allows for more meals to be reimbursed at the full, federal free rate (\$4.25 - \$4.50 per lunch) rather than the federal paid rate (\$.40 - \$.56 per lunch); and
- Schools receive an additional reimbursement of \$.02 per meal for *all* meals served (if the school’s ISP is at least 60%).

**Budget Impacts  
are Possible**

Schools and districts must consider the budgetary implications of participating in CEP. Qualifying for CEP increases federal reimbursements and makes meals free for students; however, if the ISP of the school (multiplied by 1.6) is not sufficiently high enough (62.5%), then the school will be responsible for a portion of the actual cost of the meals served. These are the meals reimbursed at the lower, federal paid rate (i.e., \$.40 - \$.56 per lunch) rather than the full, federal free rate (i.e., \$4.25 - \$4.50 per lunch).

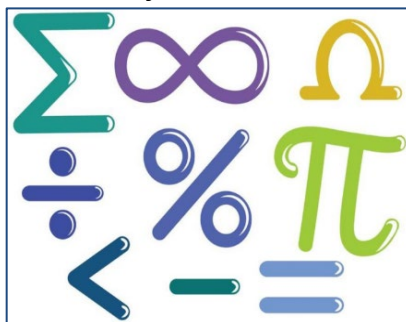
For example, a school with an ISP of 40% will receive 64% of meals served reimbursed at the full, federal free rate (40% ISP x 1.6 federal multiplier = 64%). The remaining meals served will be reimbursed at the lower, federal paid rate. CEP-participating schools are responsible for the actual cost of the meals less the total federal reimbursement for the meals. Schools with an ISP below 62.5% can still benefit from participating in CEP but schools with a relatively low ISP will not benefit financially from CEP participation unless grouped with other schools.



## USDA Allows Grouping of Multiple Schools to Jointly Qualify for CEP

The USDA allows grouping of multiple schools to maximize the ISPs for the purpose of jointly qualifying for CEP. This means multiple schools can be grouped together to create an average ISP above the USDA-set threshold, allowing schools to collectively participate in CEP. Some schools within a district, or an entire school district, can qualify for CEP by combining their ISPs to maximize the federal reimbursement. Similarly, a group of public charter schools could qualify for CEP by grouping related schools together to maximize their ISPs.

For example, combining a school with an ISP of 90% and a school with an ISP of 20% would allow both schools to qualify for CEP, rather than just the school with an ISP of 90%. Additionally, the federal reimbursement would be maximized in aggregate because a school or group of schools does not receive any additional funds if the ISP exceeds 62.5% due to the existing 1.6 ISP multiplier for meal reimbursement ( $62.5\% \times 1.6 = 100\%$  of meals reimbursed at federal free meal rate). Therefore, the school with the lower ISP benefits from the “unused” ISP of the school with an ISP of 90%.



By combining schools for the purpose of qualifying for CEP, a school with an ISP of 20% will benefit from a much higher number of meals eligible for reimbursement at the federal free meal rate. Assuming an equal student population, the average ISP of the combined schools in the example would be 55% (average of 90 + 20), equating to 88% of meals at each school being reimbursed at the federal free meal rate due to the current federal multiplier of 1.6 ( $55\% \times 1.6 = 88\%$ ). In contrast, if each school applied for CEP individually, the school with an ISP of 90% would have no more than 100% of actual meals served reimbursed at the federal free meal rate, and the other school would not be eligible for CEP as it is below the 25% threshold.<sup>91</sup> In practice, multiple high-ISP schools are grouped with a low-ISP school to maximize the combined ISP for federal reimbursement purposes.

## CCSD Qualified All Schools for CEP

CCSD made a policy decision to qualify all schools for CEP beginning in 2016. The decision to qualify schools for CEP district-wide was based on the priority to offer all students access to nutritious meals free of charge, ensure equity among students of varying socioeconomic status, and improve success in the classroom.

---

<sup>91</sup> The school denied CEP would still be reimbursed for the meals served to students eligible for free meals. This is possible because households that participate in certain federal needs-based programs are eligible for federal school meal subsidies to pay for the cost of their meals, even if the school does not participate in CEP. Households eligible for free meals typically have a household income below 130% of the federal poverty level.

## CCSD Food Service Department Partnered With Schools District-wide to Qualify for CEP

The CCSD Food Service Department partnered with schools to qualify all CCSD schools for CEP that were not previously qualified. During school year 2022-2023, all CCSD schools participated in CEP to offer meals to all students (over 300,000) district-wide at no cost to the student.<sup>92</sup> Qualifying all schools for CEP addressed the gap of students who did not qualify for a free or reduced-price meal and whose families did not always provide a meal (or funds to purchase a meal).<sup>93</sup> This gap has not existed in recent years (beginning of COVID-19 Pandemic through school year 2023-2024) due to federal and state subsidies funding free meals for students statewide; however, these funds expire at the end of school year 2023-2024.

## CCSD Expects All Meal Costs Will Be Covered

CCSD reports that the district has a high enough average ISP to receive enough federal reimbursement funds to cover the actual cost of meals served district-wide.<sup>94</sup> CCSD was able to offer universal free meals to students district-wide by qualifying all schools for CEP under a combined (weighted average) ISP. The schools with a high ISP were combined with low ISP



schools to achieve a high enough combined ISP to increase the amount of meals reimbursed at the full, federal free meal rate. Additionally, CCSD leadership report a substantial reduction in administrative burden related to collecting and processing free and reduced-price meal applications, because CEP-qualified schools are not required to process these applications.

## **Public School Participation in CEP Can Be Improved in Nevada**

Public school participation in CEP can be improved in Nevada. As of August 2023, approximately 25% of public schools in Nevada did not participate in CEP. Over half of participating schools statewide are within CCSD, where all 353 schools participated during the 2022-2023 school year. Excluding CCSD, fewer than half of the remaining public schools in Nevada participate in CEP.<sup>95</sup>

---

<sup>92</sup> Approximately 76% of the CCSD student population would have otherwise qualified for free or reduced-price lunch during school year 2022-2023.

<sup>93</sup> Generally, families qualify for free meals with an income below 130% of the federal poverty line, regardless of school participation in CEP.

<sup>94</sup> Data obtained from the Food Research and Action Center indicates CCSD's unweighted average ISP was 53% during school year 2022-2023.

<sup>95</sup> Excluding CCSD, approximately 47% of Nevada public schools participated in CEP in school year 2022-2023.

Eureka County schools do not participate in CEP, the National School Lunch Program, or the School Breakfast Program. Exhibit 5.2 shows CEP participation and eligibility by school district or relevant authority (SPCSA or Bureau of Indian Education) during the 2022 – 2023 school year.

**Exhibit 5.2**

**Nevada Public School CEP Participation and Eligibility<sup>c</sup>  
School Year 2022-2023**

<u>District/Authority</u>	<u>Schools on CEP</u>	<u>Not on CEP</u>	<u>Eligible @ 40% but</u>	
			<u>Did Not Participate</u>	
Carson	7	4		0
Churchill	6	0		0
Clark	353	0		0
Douglas	1	11		0
Elko	6	21	4 <sup>a</sup>	0
Esmeralda	3	0		0
Humboldt	9	4		0
Lander	0	3		0
Lincoln	0	8	1 <sup>b</sup>	0
Lyon	6	12		0
Mineral	4	0		0
Nye	24	0		0
Pershing	2	3		0
Storey	1	2		0
Washoe	53	49		0
White Pine	5	2		0
State Public				
Charter Schools	16	43		0
Bureau of Indian Education Schools	2	0		0

Source: NDA.

Notes: <sup>a</sup> Carlin Elementary School; Carlin Junior High School; West Wendover Elementary School; and West Wendover Junior High School.

<sup>b</sup> Pioche Elementary School.

<sup>c</sup> Eureka County schools do not participate in CEP, the National School Lunch Program, or the School Breakfast Program. ISP and CEP eligibility data are unavailable.

Four schools in Elko County and one school in Lincoln County did not participate in CEP despite being eligible to do so. These schools were eligible to participate in CEP due to having an ISP that exceeded the 40% threshold that existed through school year 2022-2023. These schools could have leveraged federal school meal subsidies to offer meals to all students free of charge. Moreover, beginning October 2023, the 40% ISP threshold has been lowered, effectively meaning more Nevada public schools likely qualify for CEP.

## **CEP Eligibility Criteria Lowered in October 2023**

USDA published a final rule to expand access to CEP by lowering the minimum ISP threshold from 40% to 25% effective October 2023. The rule gives more high-need schools access to CEP. To be eligible, an individual school or group of schools must meet or exceed the 25% minimum ISP. Lowering the CEP threshold made many schools not previously eligible for CEP (ISP below 40%) eligible if their ISP (or combined ISP) is at least 25%.

### NDA Compiles School-Level CEP Eligibility Data Annually

School-level CEP eligibility data must be submitted to NDA each year by April 10. NDA must inform school districts or local educational agencies which schools are eligible or “near eligible” for CEP by April 15.<sup>96</sup> NDA posts eligibility data to its website and sends a link to USDA by May 1. Eligible schools must notify NDA of their intent to participate in CEP by June 30. NDA reviews and accepts CEP elections that meet the established criteria.

Annually, NDA publishes a list detailing school participation in CEP for the upcoming school year. The data shows schools and districts that are eligible to participate in CEP but that have elected not to participate.<sup>97</sup> Moreover, schools are notified by NDA when they are newly eligible for CEP or when they are “nearly eligible” for CEP. This presents an opportunity to encourage newly eligible schools to apply for CEP and for “nearly eligible” schools to consider being grouped to leverage federal funds to offer meals to students.



### Local Decision Makers Need to Act

As more Nevada schools may now qualify for CEP under the lowered ISP threshold, decision makers at the district and school level can conduct a cost-benefit analysis of participating in CEP. NDA reports assistance is available to determine CEP eligibility. Local-level decision makers must consider options now for funding school meals during school year 2024-2025 when state funding for universal free meals is no longer available.

---

<sup>96</sup> Eligibility data is submitted by schools participating in USDA meal programs, such as the National School Lunch Program and the School Breakfast Program. Eureka County does not participate in these programs and does not submit this data to NDA.

<sup>97</sup> Data does not include schools not participating in USDA meal programs (i.e. Eureka County schools).

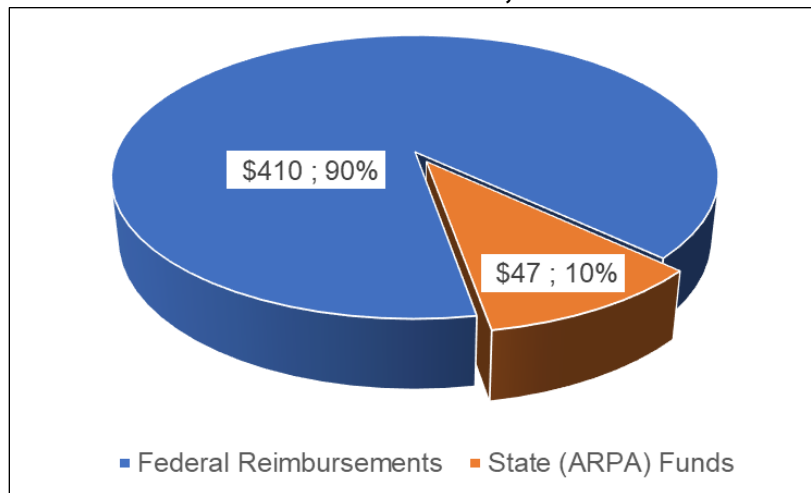
## Funding for Universal Free Meals Ends July 2024

COVID-19 Pandemic-era funding for free meals through the USDA has expired and post-pandemic state funding for universal free meals ends July 2024. Beginning in March 2020 and extending through school year 2021-2022, school meals in Nevada were made free through USDA waivers.<sup>98</sup> The state funded universal free school meals during the 2022-2023 and 2023-2024 school years using American Rescue Plan Act (ARPA) funds.<sup>99</sup>

The state directed approximately \$100 million of ARPA funds to cover the cost of free meals in school years 2022-2023 and 2023-2024. The actual amount of state-directed ARPA funds used to subsidize universal free meals in school year 2022-2023 was approximately \$47 million.<sup>100</sup> Exhibit 5.3 shows the split between federal and state-directed ARPA funds used in school year 2022-2023.

### Exhibit 5.3

**Federal and State Funds Used for Free Student Meals  
School Year 2022-2023, in Millions**



Source: NDA.

The exhibit shows 90% of the cost of student meals in Nevada was funded by the federal government. A portion of the state's \$47 million cost of providing free school meals represents the amount of money that would have been paid by student families for meals subsidized at the reduced-price or paid rates. That burden will shift back to families when state meal subsidies expire July 2024. Decision makers will need to consider all available options to address the student meal gap that will exist when subsidies are no longer available to cover meals for

<sup>98</sup> The USDA issued many COVID-19 Pandemic-era waivers that resulted in school meals effectively being subsidized by the federal government. Many, but not all, waivers were not renewed and likely will not be renewed before the beginning of the 2024-2025 school year.

<sup>99</sup> To track and be reimbursed for meals served, schools tally the number of meals served and request reimbursement from NDA. Reimbursement amounts: \$2.24 per breakfast and \$3.91 per lunch.

<sup>100</sup> CCSD received approximately \$24 million of state-directed ARPA funds in fiscal year 2023. The funds were used to increase the Nonprofit School Food Service account's reserve from three months to 12 months. The full cost of school meals in CCSD was subsidized by the federal government. NDA approved the reserve increase.

students in financial need that do not qualify for free meals and cannot afford reduced-price or paid meals. Participating in CEP is one option for local and county-level decision makers to consider when addressing the student meal gap that will exist when universal free meals are no longer available to Nevada students.

## **Access to Nutritious Meals Leads to Better Outcomes for Children**

Access to nutritious meals leads to better outcomes for children. Research shows increased access to nutritious meals improves academic achievement, reduces malnutrition and health-related issues, and decreases the likelihood of students dropping out of school.<sup>101,102,103</sup> Access to school meals at no cost to students has been shown to reduce child food insecurity, eliminate social stigma associated with free meals, and benefit families most in need through savings on groceries.

### Child Poverty Rate Doubled After COVID-19 Pandemic Benefits Ended

The overall poverty rate in the U.S. increased over the last year as COVID-19 Pandemic benefits ran out, and the child poverty rate has more than doubled as of September 2023.<sup>104</sup> Last year, child poverty hit an historic low of 5.2%. This year, the child poverty rate hit 12.4% nationwide, the same as the overall poverty rate. Child poverty increased as inflation was rising and COVID-19 Pandemic relief was running out. In 2021, Congress increased the amount of the Child Tax Credit as part of the American Rescue Plan and expanded eligibility to include millions more low-income families. However, the tax credit expired at the end of 2021 and contributed to the increase in child poverty. The impacts of child poverty include:

- **Achievement Gaps:** Child poverty contributes to achievement gaps between low-income students and their wealthier counterparts that can persist throughout a child's educational journey and have long-term consequences. Children living in poverty often lack access to educational resources and technology. This can hinder their ability to complete assignments and engage in independent learning;
- **Increased Dropout Rates:** Children living in poverty are at a higher risk of dropping out of school. The lack of resources, academic support, and a stable home environment can lead to disengagement and disinterest in pursuing an education. Not pursuing a quality education can perpetuate the cycle of poverty; and

---

<sup>101</sup> Center for American Progress: "5 States Addressing Child Hunger and Food Insecurity with Free School Meals for All." May 4, 2023.

<sup>102</sup> United Nations World Food Program, USA: "The Effects of Child Nutrition on Academic Performance: How School Meals Can Break the Cycle of Poverty." September 21, 2023.

<sup>103</sup> No Kid Hungry.org: "How Does Hunger Affect Learning?" April 24, 2023.

<sup>104</sup> U.S. Census Bureau's Annual Data on Poverty, Income, and Health Insurance released September 2023.



- **Food Insecurity and Malnutrition:** Poverty is directly correlated with food insecurity. Food insecurity can lead to various health-related issues, malnutrition, and chronic illness. These health challenges can result in frequent absences from school, which affect a student's continuity of learning and overall academic performance.

### CEP Participation is Correlated With Reduced Food Insecurity

CEP participation is correlated with a reduction in food insecurity among students at the participating school. Households see a nearly 5% decline in food insecurity when introduced to CEP participation.<sup>105</sup> Families with access to free school meals through CEP may see declines in their monthly grocery spending by as much as 19%.<sup>106</sup> Moreover, access to school meals at no cost has been shown to eliminate social stigma and improve student academic performance.<sup>107</sup>

### **Schools and Families Must Help Maximize Federal Reimbursements**

Nevada schools and families must help maximize federal school meal reimbursements. Maximizing eligibility for federal reimbursements reduces the burden on families to pay for student meals. Families can qualify for free or reduced-price lunch in Nevada schools not yet participating in CEP. This will be necessary for many families who received free meals through state and federal subsidies rather than the meal application process. These applications are used to determine the federal meal reimbursement rate; family participation in the coming school year is necessary to maximize federal reimbursements. Reimbursements are maximized through family and school involvement because:

- Schools are reimbursed with USDA funds at the federal free and reduced-price meal rates for families that apply and qualify. Program participation benefits schools because the free and reduced-price meal rates are much higher than the federal paid meal rate. Families benefit from the savings on student meals, even if only at the reduced-price meal rate; and
- Schools are reimbursed additional funds per meal served if the student population is “severe need” or 60% of the student meals served are free or reduced-price. If schools do not encourage eligible or potentially eligible families to apply for free or reduced-price lunch, then federal reimbursement funds will decrease as state school meal subsidies expire.

---

<sup>105</sup> The Effect of Free School Meals on Household Food Purchases: Evidence from the Community Eligibility Provision. Marcus M, Yewell KG. National Library of Medicine: [pubmed.ncbi.nlm.nih.gov/35792362/](https://pubmed.ncbi.nlm.nih.gov/35792362/)

<sup>106</sup> Ibid.

<sup>107</sup> Ibid.

## Schools and Families Can Help Increase ISP to Maximize Reimbursements

Increasing a school's ISP can be one of the most effective ways to boost the school's meal and nutrition budget because the percent of meals reimbursed at the federal free rate corresponds with the school's ISP (multiplied by 1.6).

Capturing data to identify every eligible student and grouping schools to expand the reach of CEP will increase federal meal reimbursements. Schools can identify more students for federal meal subsidies by:

- Identifying all data used in Nevada's direct certification system and comparing it to the student population data to identify gaps. Some student data may not be reported directly through the certification system. Non-federal data, such as homelessness, can be used when calculating a school's ISP. Students are categorically eligible for free school meals and should be included in the ISP calculation if they are:
  - Enrolled in SNAP, TANF, the Food Distribution Program on Indian Reservations, Medicaid, or in a household where another student is enrolled in one of these programs;
  - Experiencing homelessness; a migrant; a runaway; or receiving foster care; or
  - Enrolled in Head Start or Early Head Start.
- Using connections with social workers and homeless liaisons. School or district-level homeless liaisons or social workers are responsible for assisting homeless, migrant, runaway, and foster care students. Liaisons and social workers have the most current information regarding categorically eligible students. This student information should be captured at least annually, though monthly check-ins are recommended;<sup>108</sup>
- Examining possible direct certification mismatches. Simple errors between datasets can prevent students from being directly certified, such as: misspelled names, partial social security numbers, or incorrect birthdays;
- Conducting direct certification as often as possible to increase the likelihood of identifying students who temporarily enroll in categorically-eligible benefits. Even if a student only receives SNAP benefits for one month, that student will remain directly certified all year if records of initial enrollment are maintained. Districts report significant benefits in directly certifying students at least monthly;<sup>109</sup> and
- Promoting SNAP outreach in schools. ISP is increased as more families enroll in SNAP. Schools should consider including the link to the state's

---

<sup>108</sup> NoKidHungry.org recommends monthly or weekly check-ins.

<sup>109</sup> NoKidHungry.org.



SNAP application on the school website and should assist families with completing and submitting SNAP applications at school events. Many nonprofit organizations provide SNAP application services free of charge. These organizations can be leveraged to maximize SNAP participation.

Schools can help maximize federal meal reimbursements by participating in CEP and increasing each school's ISP by identifying all students that qualify for certification for free meals. Families can qualify for free or reduced-price meals in schools not yet participating in CEP to maximize federal funds and save money on groceries. Qualifying schools for CEP and families for free meals will be necessary to ensure the students who received free meals through state and federal subsidies and will no longer be eligible to receive free meals continue to do so.

## ***Conclusion***

Funding for universal free meals for Nevada students will end July 2024. Initiative must be taken at the local level to affect meaningful change for families that may not be able to afford school meals and do not qualify for free school meals (meal participation gap). Federal funds are available to subsidize school meals, but not all eligible schools choose to apply to receive the funds. Recent changes to USDA administrative rules lowered the ISP threshold, allowing more Nevada schools to qualify all students for universal free meals. Many of the schools that were previously ineligible to receive these federal funds (25% of Nevada public schools) are eligible beginning October 2023. Expanding Nevada student access to free school meals will require action at the school level and administrative support at the state level. Schools can offer free meals to all students by participating in CEP. Schools that choose not to participate in CEP can help maximize federal meal reimbursements by identifying and enrolling all eligible students for free and reduced-price meals.

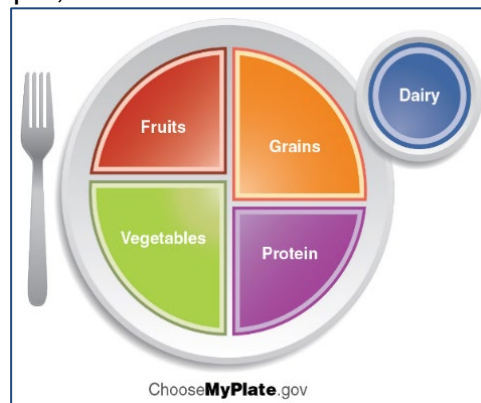
Expanding school participation in CEP will increase the number of school meals available at no cost to students and ensure the maximum amount of federal funds are used to fund student meals in Nevada. Additional benefits include reduced administrative burden, lower child food insecurity, and improved educational outcomes. Using the success of CCSD as a model, collaborative efforts to combine schools to maximize the ISP for CEP qualification will increase federal meal subsidies and the number of students receiving free school meals. Decision makers at the school, district/authority, and state levels should consider all options available to close the 25% meal participation gap among Nevada students. Collaboration between schools and families, along with administrative guidance and support from NDA, will maximize federal reimbursements and ensure continued access to nutritious meals for Nevada students.

## ***Improve Support Services Training and Reporting***

The Nevada Department of Agriculture (NDA) should work with public schools and school districts to improve support services training and reporting. Improving training and reporting will enhance accountability of support services, maximize federal reimbursement funds, and ensure the health and safety of students through compliance with local, state, and federal food safety and nutrition requirements.

### **Food Service Training Violations Persistent Through COVID-19 Pandemic**

DIA reviewed NDA's Administrative Reviews of School Food Operations of Nevada public schools and noted food service training violations were persistent throughout the COVID-19 Pandemic. For example, 24% of school districts had at least one training violation and approximately 5% of charter schools had at least one training violation. School staff surveyed indicated that training violations were the result of disruption to normal training offered due to the COVID-19 Pandemic and lapses in reporting the training. Additionally, the most recent NDA Administrative Review of a sample of CCSD schools found that 53% of randomly selected CCSD support staff were deficient in the number of required training hours.<sup>110</sup>



The COVID-19 Pandemic changed food service processes overnight. The priority to feed children remained, but procedures to do so needed to be flexible to accommodate the closure of centralized school sites. The findings and violations noted may have been different had the pandemic not occurred.

### **Menu Records Reporting and Nutrition Violations Indicate a Need for Additional Support Staff Training**

Menu records reporting violations include:

- Missing the number of meals served;
- Not recording the amount of food used; and
- Underserving certain meal components.

Approximately 12% of charter schools, and 24% of school districts, had menu records reporting violations.

---

<sup>110</sup> 30 employees had some training completed but did not meet the requirement.

Nutrition violations include:

- Menu items with sodium content exceeding federal requirements for school meals;
- Too many total calories per meal served; and
- Not offering fruits or vegetables with meals.

Approximately 16% of charter schools, and 29% of school districts, had nutrition violations.

Public school support staff will benefit from additional training in menu records reporting. Public schools will benefit from improved compliance with federal guidelines for school meals. Compliance with these guidelines is necessary to maintain federal funding for school meals.

#### Noncompliance with Federal Meal Patterns Can Result in Reduced School Meal Funding

Noncompliance with federal meal patterns can result in reduced school meal funding. Federal meal patterns are a set of nutrition standards that schools must follow to receive federal reimbursements for each meal served. These standards are aligned with national dietary guidelines and are designed to ensure that children receive balanced, nutritious meals. Noncompliance with these federal meal patterns can be costly to schools. Consequences of noncompliance include:

- **Loss of Reimbursement:** Schools receive cash subsidies for each “creditable” meal served. If a school does not meet the federal meal pattern requirements, the meals may not be considered “creditable” and would not be reimbursable;
- **Penalties:** In some cases, noncompliance can result in financial penalties or other sanctions from the federal government; and
- **Loss of Participation:** Continuous noncompliance can lead to a loss of eligibility to participate in federal school meal programs, which would result in a loss of all associated funding.

Consequences vary depending on the nature and extent of the noncompliance, as well as the specific policies of the USDA in effect. Generally, noncompliance with federal meal patterns in Nevada public schools was corrected when identified during NDA’s Administrative Review process. Only two instances of recurring meal pattern violations were noted in school districts, and one instance at charter schools, for the period being reviewed.<sup>111</sup> This indicates the NDA Administrative Review process is sufficient to identify noncompliance with federal meal patterns.

---

<sup>111</sup> A recurring violation is a violation that occurs in two sequential audits.

Food Temperature and Safety Violations  
Indicate Continuous Improvement is Necessary

Food temperature and safety violations indicate continuous improvement is necessary but NDA Administrative Reviews effectively identify and correct violations. Approximately 18% of school districts, and 5% of charter schools, had at least one food temperature or safety violation during NDA's Administrative Review.



During the most recent NDA Administrative Review of a sample of CCSD schools, multiple issues were observed, including: workers not compliant with health and safety regulations governing food handling and serving; noncompliance with regulations governing food temperature monitoring and cleanliness of food preparation and service areas; and missing standard operating procedures. These issues were remediated upon follow-up review.

There were no recurring food temperature or safety violations during the period reviewed, indicating corrective action was taken timely after the NDA Administrative Review was conducted. Sufficient accountability exists at the state level to ensure food temperature and safety violations are corrected when identified.

## ***Conclusion***

The NDA Administrative Reviews of Food Operations highlight areas for improvement in support services training and reporting within public schools. The persistent nature of food service training violations, particularly during the COVID-19 Pandemic, underscores the importance of compliance with training requirements for support staff and emphasizes the urgency of adapting training methods to accommodate unforeseen circumstances. The prevalence of menu records and nutrition violations further necessitates support staff training. Improved compliance with federal guidelines is crucial not only for the health and safety of students but also to maximize federal reimbursement funds for school meals. Noncompliance with federal meal patterns poses a significant risk to school meal funding, with potential consequences ranging from loss of reimbursement to financial penalties and ineligibility for federal meal programs.

The NDA Administrative Review process has proven effective in correcting identified violations but a more proactive approach through enhanced training can help prevent noncompliance. Food temperature and safety violations, although effectively addressed through the NDA Administrative Review process, highlight the need for improvement. Ongoing training programs can contribute to maintaining high standards in food handling, temperature monitoring, and cleanliness, reducing the likelihood of safety violations. Action is needed at the school level to ensure support staff are adequately trained. NDA can collaborate with public schools to expand food training initiatives. Benefits of additional training include increased accountability, optimized federal reimbursements, and the assurance of the health and safety of students.

## ***Recommendations***

- 5.1. Expand participation in the Community Eligibility Provision of the National School Lunch Program and School Breakfast Program. (Nevada Department of Agriculture)
- 5.2. Improve support services training and reporting. (Nevada Department of Agriculture)

## Appendix A

### Scope, Methodology, and Acknowledgments

---

#### Scope and Methodology

The Division of Internal Audits (DIA) began the audit in March 2023. In the course of audit work, DIA reviewed the audits and reports identified in the Nevada Governor's Executive Order 2023-005; identified and gathered additional and supporting documents and data to assist in assessing the sufficiency of existing audit and reporting tools for public school accountability; and interviewed state school officials for a more complete understanding of perceived accountability measures for public schools. DIA reviewed Nevada Revised Statutes, Nevada Administrative Code, the Nevada State Administrative Manual, Generally Accepted Accounting Principles, and other federal and state guidelines. DIA concluded fieldwork in December 2023.

#### Acknowledgments

DIA expresses appreciation to the Office of the Governor, Nevada Department of Education, State Public Charter School Authority, Nevada Department of Agriculture, Nevada School Districts, Nevada Charter Schools, and the Governor's Finance Office, Budget Division for their cooperation and assistance throughout the audit.

Contributors to this report included:

Administrator

Craig Stevenson

Executive Branch Audit Managers

Beatriz Mena-Ortiz

Jessica Young

Executive Branch Auditors

Patti Antonucci

Jasdeep Bains

Melissa Gardner

Compliance Auditors

Emma Farrell

Teresa Schuff

# Appendix B

## Department of Education, State Public Charter School Authority, and Department of Agriculture Response and Implementation Plans

Joe Lombardo  
*Governor*

Jhone M. Ebert  
*Superintendent of  
Public Instruction*



Southern Nevada Office  
2080 E. Flamingo Road, Suite 210  
Las Vegas, Nevada 89119-0811  
Phone: (702) 486-6458  
Fax: (702) 486-6450

**STATE OF NEVADA**  
**DEPARTMENT OF EDUCATION**  
700 E. Fifth Street | Carson City, Nevada 89701-5096  
Phone: (775) 687-9200 | [www.doe.nv.gov](http://www.doe.nv.gov) | Fax: (775) 687-1116

### Via Electronic Mail

February 7, 2024

Division of Internal Audits  
209 Musser St., Suite 302  
Carson City, NV 89702

Nevada Department of Education, Response to EO 2023-005 Audit

To Whom It May Concern:

Let me start by thanking you for your work and the work of your colleagues in the Governor's Finance Office. I refer to the efforts of the Division of Internal Audits to prepare an audit report pursuant to Executive Order 2023-005. The report your team produced is titled "Review of Nevada's 17 Public School Districts and the State Charter School Authority."

Before diving into the individual recommendations, I would be remiss if I didn't address the report as a whole.

### **CURRENT STATE OF ACCOUNTABILITY**

I applaud the decision to portray the challenge of education accountability in Nevada using language that describes the real problem we are trying to solve, "Responsibility for the oversight of PK12 education is fragmented and could benefit from a more-unified approach."

This framing casts the challenge as one of better coordinating oversight efforts with the overarching aim to create conditions that link and coordinate the varied and ever-growing number of oversight initiatives that result from new legislation each biennium. Our intent should be to supply the "missing policy imperative" that can lead to a "more-integrated oversight process." I support this framing for one reason; it keeps us focused on the main idea. That focus being the purpose of accountability, the central impediment to effective oversight, and identifying how the executive and legislative branches within Nevada State government can function in tandem to better coordinate on oversight so public education more-efficiently and effectively achieves its aim of preparing all young people for success in life and career.

**SUPPORT FOR A RECOMMENDATION AFFORDING NDE THE RESOURCES NEEDED TO MEET THE GOAL**

The Nevada Department of Education welcomes a recommendation that equips NDE with the amount and type of resources NDE needs to accomplish the oversight responsibilities delegated to it by law. I am pleased to support a recommendation that states; “NDE should identify and prioritize the amount and type of additional resources required so NDE can fulfill its accountability, oversight, and technical assistance roles.”

Below is the NDE’s response to the individual recommendations.

**Category 1: Recommendations with an anticipated implementation period less than six (6) months.**

**Recommendations:**

*3.1 Comply with statute for public reporting requirements.*

The NDE will work with school districts that are not in compliance with this section of law.

*3.5 Clarify requirements in the Charter School Audit Guide for financial statement preparation.*

The NDE can comply with clarifying requirements in the Charter School Audit Guide by July 2024.

*4.1 Adhere to statutory intent for Read by Grade 3 implementation guidelines.*

The NDE is working toward building the number of teachers that are available with the knowledge and skills to teach this specific content.

*4.2 Evaluate the adequacy of the Read by Grade 3 goal.*

The Nevada State Board of Education determines the measure for retention and intervention. The NDE will review and share the recommendations from this audit with the State Board of Education as they make decisions regarding the current Read by Grade 3 goals. NDE agrees with setting a higher expectation for our state goal for literacy.

*4.3 Ensure all school districts comply with Read by Grade 3 reporting requirements.*

In Chapter 1, it was recognized that to meet the mandates and requirements referenced in this document, the NDE will need to identify and prioritize areas where additional resources would support implementation of accountability, oversight, and technical assistance roles. NDE agrees with this goal, increased authority, and staff to provide more direct support to Local Education Agencies (LEAs) and individual schools as needed.

*4.5 Revise the strategy for implementing an effective Individuals with Disabilities Education Act program.*

NDE implements a continuous improvement model and will review best practices for implementing effective practices. NDE staff will continue to provide support to districts and the State Sponsored Charter School Authority.

To move toward a more proactive model we refer to Chapter 1 where it was recognized that to meet the



mandates and requirements referenced in this document, the NDE will need to identify and prioritize areas where additional resources would support implementation of accountability, oversight, and technical assistance roles.

**Category 2: Recommendations with an anticipated implementation period exceeding six (6) months.**

**Recommendations:**

*1.4 Identify and prioritize areas where additional resources would support implementation of accountability, oversight, and technical assistance roles.*

The NDE agrees with reviewing the current resources in alignment with the oversight responsibilities delegated by law. The Department will work with the Governor's Office and Governor's Finance Office to develop a robust proposal for the 2025 Budget that will meet the needs of Nevada's students.

*2.1 Use profile and performance data to inform funding decisions.*

The NDE can comply and use profile and performance data to inform funding decisions by July of 2025.

*3.2 Update statute to expand acceptable public notice platforms.*

The NDE will work with school districts to identify more accessible platforms (e.g., school/district websites) including newspapers, to meet this requirement by July 2025.

*3.3 Reconcile financial reports.*

The limited number of staff at the NDE and recent turnover will make this a challenging deadline to meet by July of 2025.

*3.4 Study the impact of requiring charter schools to revert excess funds to the Education Stabilization Account as school districts are required to do.*

The NDE will conduct an analysis of the impact and propose language in a Bill Draft Request (BDR) to include charter schools.

*3.6 Apply statistical sampling and, if determined allowable and applicable, extrapolation methodologies to pupil count process and assess the impact of extrapolation.*

The NDE will conduct research and complete an analysis of the research to deliver an appropriate sampling and audit methodology. If applicable, NDE will propose legislative changes.

*3.7 Request a bill draft to change the due date for the submission of the 387 Reports for school districts and charter schools (NRS 387.303 and NRS 388A.345) and the due date for compilation and submission of the 387 Report to the Office of Finance and the Legislative Counsel Bureau.*

The NDE will assemble a Bill Draft Request (BDR) to address this request.

*4.4 Update statute to allow NDE and school districts to hire literacy specialists to coordinate RBG3 efforts and train at school level.*

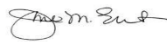
Updating statute to allow NDE to hire and provide professional learning for literacy specialists for schools in our 17 districts that receive a star rating of 3 or below, and to have districts hire literacy specialists for all other elementary schools, would allow for coordinated efforts across NDE, districts, and schools.

NDE will request an amendment through a Bill Draft Request (BDR) to NRS 388 and NRS 392 requiring NDE to participate in the hiring process alongside districts to hire, but not employ at the state level, state sanctioned literacy specialists for schools in our 17 districts that receive a star rating of 3 or below. The NDE, in collaboration with the school district would conduct and approve the final performance evaluation of literacy specialists and review and evaluate the impact this state level supervision had on student achievement outcomes.

In addition, state sanctioned district-level literacy specialists would facilitate training of licensed teachers to provide literacy services in schools until filled by a qualified literacy specialist.

Having state sanctioned district-level specialists could also assist NDE with monitoring literacy plans to develop specific guidance to assist the schools in effectively supporting students. Currently NDE is only required to review and provide feedback on the literacy plans. Having state sanctioned literacy specialists alongside district level literacy specialists could allow for a more hands-on approach and implementation leading to improved student achievement.

Sincerely,



Jhone M. Ebert  
Superintendent of Public Instruction

Joe Lombardo  
Governor

STATE OF NEVADA

Melissa Mackedon  
Executive Director



STATE PUBLIC CHARTER SCHOOL AUTHORITY

1749 North Stewart Street Suite 40  
Carson City, Nevada 89706-2543  
(775) 687-9174 · Fax (775) 687-9113

2080 East Flamingo Road Suite 230  
Las Vegas, Nevada 89119-5164  
(702) 486-8895 · Fax (702) 486-5543

Via Electronic Mail

December 28, 2023

Division of Internal Audits  
209 Musser St., Suite 302  
Carson City, NV 89702

Nevada State Public Charter School Authority, Response to EO 2023-005 Audit

To Whom It May Concern:

Thank you for providing an opportunity for the Nevada State Public Charter School Authority (SPCSA) to respond to the recommendations of the Division of Internal Audits based on the audit conducted at the direction of Executive Order 2023-005. The comments in this response are based on the audit version received 01/31/2024. The SPCSA reserves the right to amend comments should something substantially change in the final published version. The SPCSA will address the recommendations of each chapter, one through five.

**Chapter One- Current State of Accountability**

*1.1 Consider legislation to establish a single unified statewide system of accountability and support within the PK-12 public education system to recommend data-driven policy solutions. (Governor and Legislature)*

The SPCSA agrees that a greater element of coordination is needed around the tremendous amount of reporting that public schools, including public charter schools, and the important data that reporting creates. This coordinated effort should lead to data-driven policies. Currently, several boards and commissions are doing important work concerning these matters in Nevada, many of which are discussed in this report section. Creating another entity to review results would be duplicative and further complicate efforts regarding who is ultimately responsible for the work.

Undoubtedly, as the Commission on School Funding progresses and additional reporting is required additional staffing at NDE will be necessary.

*1.2 Focusing policy and improvement efforts on critical performance elements.*

Most of the additional investment in education went to increasing salaries and maintaining programs started with ARP/ESSER dollars, the funding of which will soon sunset. This is

especially true for charter schools, which were not eligible for funding from SB231 and are therefore required to use more of their general funds to remain competitive with traditional public school district salaries and wages.

A statewide wage study should be conducted to determine the actual deficit in public education wages to better inform decisions and policy.

The SPCSA agrees that focusing on reading and mathematics achievement in the early elementary years is critical to our success as a state. Unfortunately, an inequitable amount of the at-risk funding for schools in our portfolio was allocated to credit-deficient high school students. The eligibility criteria of at-risk funding should be reexamined, focus equitably on the early years of a student's school experience and be a transparent process.

The Nevada Department of Education (NDE) has significant responsibility in moving this work forward and is continually being tasked with additional duties, including supporting other boards and commissions. It is not reasonable, or likely, that they will make the progress they are working so diligently toward when so egregiously understaffed. Additionally, the number of vacancies in the Department is problematic in moving the work forward. Nevada has extremely talented educators across the state who would benefit NDE if they were provided the opportunity to join the team. The NDE should consider allowing talented Nevadans in rural areas of the state to work remotely in positions in which it would be appropriate. The Montana Department of Education provides an example of this.

Although the SPCSA does not have as many vacancies as the NDE, the agency is significantly understaffed, especially considering our dual role as a Local Education Agency.

*1.3 Provide the Nevada Department of Education with More Robust Intervention Tools to Support Chronically Low-performing Schools.*

The limited number of staff at the NDE and SPCSA will make it challenging to provide the technical assistance school districts will need in the school improvement process, including assessing the capacity of each school to implement their unique plans with fidelity.

The limited number of staff at the SPCSA will make it impossible to offer reading and math assistance teams to public charter schools. However, we welcome the opportunity to hire additional staff and believe our schools could benefit from this level of support.

*1.4 Identify and prioritize areas where additional resources would support implementation of accountability, oversight, and technical assistance roles.*

No comment. No written narrative in audit.

## **Chapter 2- Profiles, Performance, and Accountability**

*2.1 Using profile performance data to inform funding decisions.*

Charter schools must use general funds for facility costs and capital projects and those dollars have been captured in the “Support \$” column On Exhibit 2.1, whereas for districts, only operating expenditures are captured in the 'support services' column. The following are two such examples to illustrate this point. In 2022, Oasis Academy purchased the facility they had been leasing for 10 years for \$6.5 million which was wholly captured in “Support \$.” In reality, the school outlaid only a downpayment of \$1.3 million dollars (which they had been saving over the previous 10 years) and financed the remaining \$5.2 million with a conventional bank loan, all of which were captured in the support services column, greatly exaggerating the difference between the 2 columns.

A second example is Pinecrest Academy of Northern Nevada, who had an extra \$426,000 in support services for the issuance of their debt to purchase their building in FY22. Generally speaking, inequity in facility funding and inaccurate representation of charter school expenditures explains the question of higher charter school support services expenditures in relation to instructional spending compared to traditional districts.

The SPCSA takes its responsibility to ensure the \$2.6 billion investment in public education seriously and provides schools in our portfolio with clear guidelines, monitoring, and accountability that align with the state's education priorities. Clear guidelines are communicated through our annual academic framework, financial framework, and organizational framework. Annually, schools are measured on these frameworks against an established set of best practice benchmarks in each category. Additionally, the SPCSA conducts regular site visits at every charter school. Charter schools receive a site visit in their first, third, and fifth year of operation unless they do not meet standards on one of the frameworks (academic, financial, or organizational). If a school does not meet standards, they will have annual site visits until such time that they do.

In the last ten years, the following accountability measures have been used within the SPCSA portfolio regarding underperformance and accountability: charter school closure, charter schools put under receivership, grade levels removed from charter schools, forced enrollment reductions, required board reconstitution, and required educational model revisions. Charter schools have historically, and will continue, to take responsibility for and hold schools accountable for performance.

### **Chapter 3- Fiscal Accountability**

#### *3.1. Complying with statute for public reporting requirements.*

No comment.

#### *3.2. Updating statute to expand acceptable public notice platforms.*

The SPCSA agrees that expanding the statutorily prescribed reporting platforms to include agency websites and social media platforms is essential and will increase accessibility.

#### *3.3. Reconciling financial reports.*

The NRS 387.303 template provided annually by the Nevada Department of Education (NDE) has multiple formula errors. The department sends numerous templates to make corrections until the day they are due. This year, the report was turned in with known formulaic errors. These issues directly result from critically low staffing allocations at the NDE. The prepopulated data provided by the NDE is inaccurate and locked.

A statutory change to the due date of the NRS 387.303 reports should be considered, or it should be made a requirement of the audit process, making it an additional component of the mandated fiscal audit. The 387 report is due by November 1, the same day the audited financial statements are due to district superintendents and charter school directors. Audits are presented to school boards in November (or earlier) for approval and are due to the state by December 1. Following school board approvals of audits, all public schools submit their audited financial statements and trial balances to SchoolNomics. This is the root financial data coded to the NDE chart of accounts and verified by SchoolNomics for compliance with Federal ESSA requirements. If the due date of the NRS 387.303 report was pushed back, NDE could use the accurate data provided to SchoolNomics to populate the NRS 387.303 report, mitigating the differences in figures. It would capture the adjustments that auditors are making right up to the audit deadline for things like depreciation, capitalization of leases, and other multiyear contracts. These adjustments can affect balance sheets and are only sometimes accounted for in the NRS 387 report but are captured in the data provided to SchoolNomics.

*3.4. Study the impact of requiring school districts and charter schools to revert excess funds to the Education Stabilization Account.*

**Charters must receive equitable access to facility funding or remain exempt from NRS 387.1213 (1) as they currently are.** Charter schools cannot access property tax revenues to service debt as traditional public schools do. Therefore, they must set aside money each year from their per-pupil operating funds for capital expenditures. Some small school districts, like White Pine, are in a similar situation as their counties have reached Nevada's constitutional property tax rate limits. Looking at two charter schools, Oasis Academy and Somerset Academy, will illustrate that point.

Oasis Academy purchased the building they have been in since 2011 for \$6.5 million. To qualify for financing to make that purchase, not only did they have to have enough cash on hand to make a 20% down payment, but they also had to demonstrate the capacity to service the debt in ten years' time. This would not have been possible were they required to revert funds to the Education Stabilization Account. Additionally, they were informed that they were losing their high school location. The school had been setting aside money for twelve years for future capital expenses and, as a result, got \$4.7 million in matching funds from the William N. Pennington Foundation to build a small high school building. This would not have been possible were they required to revert funds to the Education Stabilization Account.

Somerset Academy of Las Vegas recently had a reserve study performed for its seven campuses by Applied Reserve Analysis. The school owns all seven campuses. This study showed how much each campus would need to put aside to meet the future needs of each campus for

anticipated significant repairs and replacement of furniture and fixtures in those buildings. This independent third party showed that campuses would need to set aside approximately \$25,000 per month for a typical K-8 campus and about \$70,000 for a K-12 campus to meet the future needs of those schools. The school would not have the cash to deal with inevitable capital expenses if required to revert funds to the education stabilization account. The table below summarizes the study.

SOMERSET ACADEMY OF LAS VEGAS-2023 CAPITAL RESERVE STUDY				
	Target Balance to Fund Capital Needs at 75%	Recommended monthly contribution	Recommended annual contribution	Target Balance to Fund Capital Needs at 100%
Aliante	\$1,225,500	\$35,000	\$420,000	\$1,634,000
Lone Mountain	\$1,427,250	\$27,000	\$324,000	\$1,903,000
Losee	\$3,966,750	\$73,000	\$876,000	\$5,289,000
NLV	\$1,611,750	\$19,500	\$234,000	\$2,149,000
Skye Canyon	\$1,005,635	\$28,000	\$336,000	\$1,340,846
Sky Pointe	\$3,915,750	\$67,000	\$804,000	\$5,221,000
Stephanie	\$1,516,500	\$26,000	\$312,000	\$2,022,000
	\$14,669,135	\$275,500	\$3,306,000	\$19,558,846

Note: This study considered maintenance and replacement costs of all building components, floor coverings, athletic surfaces, furniture, and fixtures. This study did not include any capital resources that should be set aside for regular updates of other assets which may include, but not be limited to, computers and information technology infrastructure, books and curriculum, and the eventual replacement or upgrade of the building structure itself.

**We fully support taking the time to study the impact of requiring charter schools to revert excess funds to the Education Stabilization Account as the examples indicate how detrimental it could be.**

*3.5. Clarifying requirements in the Charter School Audit Guide for financial statement preparation.*

The SPCSA looks forward to working with the NDE on clarification and will communicate those clarifications to the schools in our portfolio and update any financial framework accountability metrics accordingly.

*3.6. Applying statistical sampling and, if determined allowable and applicable, extrapolation methodologies to pupil count process and assess the impact of extrapolation.*

Public charter schools must continue to receive individual, annual, Pupil Enrollment and Attendance Audits (PEAA) as they are distinct legal entities.

*3.7. Request a bill draft to change the due date for the submission of the 387 Reports for school districts and charter schools (NRS 387.303 and NRS 388A.345) and the due date for compilation and submission of the 387 Report to the Office of Finance and the Legislative Counsel Bureau.*

The State Public Charter School Authority is in full support of such a bill.

**Chapter 4- Instructional Accountability**

*4.1. Adhering to statutory intent for Read by Grade 3 implementation guidelines.*

The SPCSA agrees that third grade reading proficiency is the most significant predictor of future success, therefore the at-risk calculation and dollars must be adjusted so those dollars can equitably help support early literacy efforts.

The SPCSA welcomes the opportunity to support the schools in its portfolio on early literacy measures, including the implementation of the new local literacy plan template. However, additional staffing allocations will be necessary.

Teacher scholarships are an excellent way to help mitigate teacher shortages that lead to reading specialist shortages. Individuals with sub licenses who are teachers of record and individuals working in support roles (i.e., instructional aides) should be prioritized as scholarship recipients. Municipalities with significant shortages in their public schools should consider participation in scholarship programs.

*4.2. Evaluating the adequacy of the Ready by Grade 3 goal.*

As seen below, per the 2022-23 NWEA MAP Growth Assessment file posted by the NDE on the Nevada Accountability Portal, 68.5% of students at SPCSA-sponsored schools were at or above the 40th percentile, while 44.3% were above the 65th percentile. The SPCSA agrees that Nevada's goal is too low, and data suggests that if students are not performing at or above the 65th percentile on the MAP Assessment, they will not be proficient on state assessments.

District Code	District Name	Number Tested in Spring	Number at or above 40th Percentile in Spring	Percent at or above 40th Percentile in Spring	Number at or above 65th Percentile in Spring	Percent at or above 65th Percentile in Spring
18	State Public Charter School Authority	18455	12638	68.5%	8182	44.3%

The SPSCA acknowledges that, while outperforming traditional public schools, charter schools have seen a decline in proficiency since COVID-19. The SPCSA would love to have a designated staff member to support charter schools and their reading specialists in reaching Nevada's established goals.

*4.3. Ensuring all school districts comply with Read by Grade 3 reporting requirements.*



The SPCSA agrees that all schools, including public charter schools, should comply with RBG3 reporting requirements.

*4.4. Updating statute to allow NDE to hire literacy specialists to coordinate RBG3 efforts and train at school-level.*

The SPCSA welcomes the opportunity to help coordinate and support its sponsored schools on RBG3 efforts. This will require additional staffing allocations.

*4.5. Revising strategy for implementing an effective Individuals with Disabilities Education Act program.*

It must be noted that while public charter schools enroll all students, including those with disabilities, the funding they receive is not equitable. The table below represents the special education enrollment and funding change from 2020-2023. It is shocking to see school districts with declining special education enrollment receive additional special education funding. In contrast, charter schools that had a 43% increase in the number of students with disabilities saw only minor increases in funding comparatively.

<b>Change in Special Education Enrollment and Per Pupil Funding from 2020-2023</b>			
<b>Local Education Association</b>	<b>Change in Special Education Enrollment from 2020 to 2023</b>	<b>Change in State Special Education Funding from 2020 to 2023</b>	<b>Change in Per Pupil State Special Education Funding from FY20 to FY23</b>
Carson City County	-8%	13%	22%
Churchill County	5%	21%	15%
Clark County	-4%	6%	10%
Douglas County	-5%	9%	15%
Elko County	-3%	6%	10%
Esmeralda County	-1.4%	6%	24%
Eureka County	10%	7%	-2%
Humboldt County	6%	21%	14%
Lander County	-1.5%	7%	26%
Lincoln County	-20%	12%	40%
Lyon County	-1%	12%	13%
Mineral County	-9%	16%	27%
Nye County	0%	13%	13%
Pershing County	8%	18%	9%
Storey County	-23%	5%	38%
Washoe County	0%	12%	12%
White Pine County	-1.4%	19%	38%
<b>State Charters</b>	<b>43%</b>	<b>8%</b>	<b>-24%</b>

All data in Table Two was obtained in an Excel Spreadsheet titled, "State Special Education Funding Summary through FY23" by the Nevada Department of Education September 19, 2022.

While efforts were made to correct the inequities in fiscal year 2024, they remain and, in some districts, equate to more than \$1000 per student. Funding inequity makes the work incredibly challenging.

Lastly, it should be noted that the SPCSA also serves as the Local Education Agency (LEA) and needs additional staffing to complete that work. The SPCSA has 6,488 students with IEPs and one individual overseeing and supporting schools in the area of Special Education. Washoe County School District has 9,851 students with IEPs, and according to their website, 14 individuals oversee and support that work. To support schools effectively in improving their outcomes on the "Accountability Matrix" and improve student outcomes, the SPCSA needs additional staffing allocations. **This is our top priority when it comes to staffing needs.**

**Chapter 5- Support Services Accountability**

*5.1. Expanding participation in the Community Eligibility Provision of the National School Lunch and School Breakfast Programs.*

Under the new 25% threshold, effective October 26, 2023, and according to the December 1, 2023, direct certification files, 29.6% of total charter school students qualify, making the SPCSA a "district" eligible for CEP status. Further analysis is required to determine the advantages of such a decision and the effect that it would have on the schools already participating in the National School Lunch Program. 68.1% of charter schools in our portfolio, are at or above the 25% direct cert eligibility threshold.

*5.2. Improving support services training and reporting.*

The SPCSA looks forward to working with the Nevada Department of Agriculture (NDA) to support our schools, especially new schools, to improve support services training and reporting.

Sincerely,



Melissa Mackedon  
Executive Director, Nevada State Public Charter School Authority

cc: Dr. Tonia Holmes-Sutton, Chair, State Public Charter School Authority

JOE LOMBARDO  
Governor

STATE OF NEVADA

J.J. GOICOECHEA, DVM  
Director

Las Vegas Office:  
2300 East St. Louis Ave.  
Las Vegas, NV 89104-4211  
(702) 668-4590  
Fax (702) 668-4567



Elko Office:  
4780 East Idaho Street  
Elko, NV 89801-4672  
(775) 753-1360  
Fax (775) 738-2639

**DEPARTMENT OF AGRICULTURE**

405 South 21<sup>st</sup> Street  
Sparks, Nevada 89431-5557  
Telephone (775) 353-3601 Fax (775) 353-3661  
Website: <http://www.agri.nv.gov>

December 21, 2023

Warren Lowman, Administrator  
Governor's Finance Office, Division of Internal Audits  
209 E. Musser St., Suite 302  
Carson City, NV 89701

Re: DIA Report No. EO 2023-005

Nevada Department of Agriculture Response and Anticipated Implementation Plan

Dear Mr. Lowman,

As requested, the following information is provided as NDA's response and implementation plan for the recommendations contained in Chapter 5 of DIA Report No. EO 2023-005. There were two recommendations issued to NDA:

*Recommendation #1: Expand participation in the Community Eligibility Provision of the National School Lunch and School Breakfast Programs.*

Response to Recommendation #1:

- The NDA accepts this recommendation.
- Plan to implement recommendation.
  - The NDA will continue to work with Nevada school food authorities to expand participation in the Community Eligibility Provision (CEP) of the National School Lunch and School Breakfast Programs.
  - We will continue to communicate CEP eligibility to schools in a timely manner, work with schools to help them increase their Identified Student Percentage (ISP) to as high as possible, and answer any questions about eligibility status, including encouraging them to identify and enroll all eligible students. Though we cannot force participation in this federal program, we will continue to educate and strongly encourage the benefits through in person meetings where possible.
  - NDA will strive to work with the Nevada Department of Education specifically to partner with their Title I program area to assist schools that are eligible for CEP but are concerned about losing Title I funding.

NDA Rev. 03-2019

JOE LOMBARDO  
Governor

Las Vegas Office:  
2300 E. St. Louis Ave.  
Las Vegas, NV 89104-4211  
(702) 668-4590  
Fax (702) 668-4567

STATE OF NEVADA  
**DEPARTMENT OF AGRICULTURE**  
405 South 21<sup>st</sup> Street  
Sparks, Nevada 89431-5557  
Telephone (775) 353-3601 Fax (775) 353-3661  
Website: <http://www.agri.nv.gov>

J.J. GOICOECHEA, DVM  
Director

Elko Office:  
4780 E. Idaho Street  
Elko, NV 89801-4672  
(775) 738-8076  
Fax (775) 738-2639

- Timeframe to implement the recommendation.
  - July 2024. As CEP is an annual and ongoing process, NDA will continue to do this annually.

*Recommendation #2: Improve support services training and reporting.*

Response to Recommendation #2:

- The NDA accepts this recommendation.
- Plan to implement recommendation.
  - The NDA will continue to work with schools to offer training and technical assistance on common findings from the Administrative/Compliance Reviews in areas we see, including around training and reporting, and others.
  - One area that impacts support services, training, and reporting is the high turnover in staff at school food authorities and school sites. This was increased by the pandemic and many schools continue to struggle with staff shortages. NDA will offer assistance to target these sites with a higher volume of new staff.
  - The NDA is compelled to point out that as noted in this report, the COVID-19 pandemic was an unprecedented event that changed priorities overnight. School sites shut down and the main priority was feeding children, which was a struggle for many. Previously known processes were not viable as new processes and procedures had to be created, often on the go, including state agency oversight and compliance. During this period, the NDA moved to fully virtual processes, which had never been done before. The NDA has concerns about this period of time being evaluated and the agency identified for violations, as even the federal government did not have processes in place nor were they prepared for the pandemic.
- Timeframe to implement the recommendation.
  - July 2024. As technical assistance and training is an ongoing and year-round process for the NDA, we will continue to do this annually.

Respectfully yours,



J.J. Goicoechea, DVM  
Director  
775-353-3619  
[jgoicoechea@agri.nv.gov](mailto:jgoicoechea@agri.nv.gov)

## Appendix C

### Time Frame for Implementing Audit Recommendations

---

In consultation with the Nevada Department of Education (NDE), State Public Charter School Authority (SPCSA), and Nevada Department of Agriculture (NDA), the Division of Internal Audits (DIA) categorized the recommendations contained within this report into two implementation time frames (*Category 1* – less than six months; *Category 2* – more than six months). Agencies should begin implementing recommendations as soon as possible. The target completion dates are incorporated from Appendix B.

---

#### **Category 1: Recommendations with an anticipated implementation period less than six months.**

<u>Recommendation</u>	<u>Time Frame</u>
1. 1.2. Focus policy and improvement efforts on critical performance elements. (Stakeholders)	July 2024
2. 3.1. Comply with statute for public reporting requirements. (NDE and School Districts)	Jan 2024
3. 3.5. Clarify requirements in the Charter School Audit Guide for financial statement preparation. (NDE)	July 2024
4. 4.1. Adhere to statutory intent for Read by Grade 3 implementation guidelines. (NDE)	July 2024
5. 4.2. Evaluate the adequacy of the Read by Grade 3 goal. (NDE)	July 2024
6. 4.3. Ensure all school districts comply with Read by Grade 3 reporting requirements. (NDE)	July 2024
7. 4.5. Revise the strategy for implementing an effective Individuals with Disabilities Education Act program. (NDE)	July 2024
8. 5.1. Expand participation in the Community Eligibility Provision of the National School Lunch Program and School Breakfast Program. (NDA)	July 2024
9. 5.2. Improve support services training and reporting. (NDA)	July 2024

**Category 2: Recommendations with an anticipated implementation period exceeding six months.**

<u>Recommendation</u>	<u>Time Frame</u>
10. 1.1. Consider legislation to establish a single unified statewide system of accountability and support within the PK-12 public education system to recommend data-driven policy solutions. (Governor and Legislature)	July 2025
11. 1.3. Consider legislation to provide the Nevada Department of Education with more robust intervention tools to support chronically low-performing schools. (Governor and Legislature)	July 2025
12. 1.4. Identify and prioritize areas where additional resources would support implementation of accountability, oversight, and technical assistance roles. (NDE)	Sept 2024
13. 2.1. Use profile and performance data to inform funding decisions. (NDE, SPCSA, School Districts, and Charter Schools)	July 2025
14. 3.2. Update statute to expand acceptable public notice platforms. (NDE)	July 2025
15. 3.3. Reconcile financial reports. (NDE, School Districts, and Charter Schools)	Dec 2024
16. 3.4. Study the impact of requiring charter schools to revert excess funds to the Education Stabilization Account as school districts are required to do. (NDE)	July 2025
17. 3.6. Apply statistical sampling and, if determined allowable and applicable, extrapolation methodologies to pupil count process and assess the impact of extrapolation. (NDE)	Sept 2025
18. 3.7. Request a bill draft to change the due date for the submission of the 387 Reports for school districts and charter schools (NRS 387.303 and NRS 388A.345) and the due date for compilation and submission of the 387 Report to the Office of Finance and the Legislative Counsel Bureau. (NDE)	July 2025
19. 4.4. Update statute to allow NDE to hire literacy specialists to coordinate Read by Grade 3 efforts and train at school-level. (NDE)	July 2025

DIA shall evaluate the actions taken by NDE, SPCSA, and NDA concerning the report recommendations within six months from the issuance of this report. DIA shall report the results of its evaluation to the Governor; Director, Governor's Finance Office; NDE; SPCSA; and NDA.

## Appendix D

### State of Nevada, Executive Department Executive Order 2023-0005



### EXECUTIVE ORDER 2023-005

**Order Directing the Governor's Finance Office, Division of Internal Audits to Review Nevada's 17 Public School Districts and the State Public Charter School Authority**

**WHEREAS**, Article 11, Section 2 of the Nevada Constitution requires that the State "provide for a uniform system of common schools"; and

**WHEREAS**, Nevada currently operates 763 public schools that serve more than 480,000 students across 17 school districts and a state charter school authority; and

**WHEREAS**, Nevada taxpayers invest over \$5 billion annually in the operations of the State's public schools; and

**WHEREAS**, K-12 education accounted for \$3.2 billion in general fund appropriations approved by the Nevada State Legislature for the 2021-23 biennium, more than any other function of state government; and

**WHEREAS**, it is in the best interests of the citizens of Nevada that its public schools be operated in a transparent and fiscally responsible manner; and

**WHEREAS**, Article 5, Section 1 of the Nevada Constitution provides: "The supreme executive power of this State, shall be vested in a Chief Magistrate who shall be Governor of the State of Nevada."

**NOW, THEREFORE** by the authority vested in me as Governor by the Constitution and laws of the State of Nevada and the United States, it is hereby ordered as follows:



**SECTION 1:**

The superintendent of each school district and the executive director of the State Public Charter School Authority shall gather, collect and submit all external, third-party audits prepared on behalf of each school district (including sponsored charter schools) and every state public charter school between January 1, 2022 and December 31, 2022 (the "review period") to the Governor's Finance Office, Division of Internal Audits on or before March 1, 2023. This shall include, but may not be limited to, the audits listed below. To the extent the most recent audit available falls outside the review period, the most recent audit shall be provided.

- (a) External independent financial or single audits
- (b) Program or performance audits, including but not limited to: English language learners, students with disabilities, underperforming schools, and extra-curricular activities
- (c) Nevada Department of Education compliance audits, including the State Grant Financial Monitoring Report and Pupil Count audits
- (d) State of Nevada Medicaid Administrative Claiming audits
- (e) Federal agency audits, or site visit monitoring reports
- (f) Civil rights compliance audits
- (g) Public Employees Retirement System audits
- (h) Worker's Compensation audits
- (i) Employee Benefit Program audits
- (j) Internal Revenue Service audits
- (k) Any reports prepared for Department of Health and Human Services and/or local health authorities
- (l) Nevada Department of Agriculture, Administrative Review of Food Operations
- (m) Any reports to the Commission on Local Government Finance required by NRS 387.3045
- (n) Quarterly Publication of School District Expenditures required by NRS 387.320

**SECTION 2:**

Having received the information set forth in Section 1, the Governor's Finance Office, Division of Internal Audits shall review the external, third-party audits prepared on behalf of each school district and each public charter school. The review shall consider the scope of the audits, their application of generally accepted accounting and auditing procedures, any findings and corrective action plans and the extent to which they provide information sufficient to reasonably evaluate the efficacy, efficiency and fiscal responsibility of each school district and each public charter school.


**SECTION 3:**

The Governor's Finance Office, Division of Internal Audits shall issue a report on or before December 29, 2023 summarizing the findings of its review, identifying any deficiencies and providing recommendations to remedy the identified deficiencies. The report shall be submitted to the Governor and the Chief of the Budget Division.



IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Nevada to be affixed at the State Capitol in Carson City, this 3rd day of February, in the year two thousand twenty-three.

  
\_\_\_\_\_ Governor

  
\_\_\_\_\_ Secretary of State

\_\_\_\_\_  
Deputy