

AB398 (Teacher Raise) Guidance

ALLOCATION METHODOLOGY & KEY DEFINITIONS

Each school's October 2024 "Employee Information for All Staff" was used to calculate the total number of full-time equivalent (FTE) charter school teachers and educational support professionals in Nevada. For charter holders not in the SPCSA portfolio, the LEA provided this information. This total, excluding administrators, was divided into the FY26 allocation of \$19,314,297, resulting in an amount of approximately \$3,000.00 per eligible FTE. Each contracted charter holder will receive one allocation of funds, and governing boards will have the flexibility to designate which employees will receive the funds (excluding administrators).

Educational support professional is defined as a person, other than a teacher or administrator, who is an employee of a charter school, including, without limitation:

- Paraprofessionals/instructional aides
- School police officers, school resource officers, and other providers of security services
- School nurses
- School counselors
- School psychologists
- School social workers
- School bus drivers
- Secretaries/administrative assistants
- Bookkeepers
- IT specialists
- Custodial and maintenance staff
- Food service staff

A *teacher* is defined as a person licensed pursuant to chapter 391 of NRS who is classified by the governing body of a charter school:

- An individual who spends at least 50 percent of his or her work year providing instruction or discipline to pupils; or
- As instructional support staff, who does not hold a supervisory position and who spends not more than 50 percent of his or her work year providing instruction to pupils. Such instructional support staff includes, without limitation, librarians and persons who provide instructional support.

An *administrator* refers to a person who spends at least 50 percent of their work year supervising other staff or licensed personnel, or both, and who is not classified by the governing body of a charter school as a professional-technical employee. Examples include executive directors, principals, CEOs, vice principals, etc.

TIMELINE

June 15, 2025 - Each charter holder in Nevada shall submit to the State Public Charter School Authority a statement of the number of teachers and education support professionals employed by the charter school on October 1, 2024.

July 15, 2025- SPCSA submits compiled information to the Interim Finance Committee, estimating the total amount of money that the Authority will be authorized to distribute to each charter holder for Fiscal Year 2025-2026 (FY2026).

August 15, 2025- Each charter holder in Nevada shall submit to the State Public Charter School Authority a plan by the charter holder to increase compensation for teachers and education support professionals for each campus.

September 15, 2025- SPCSA shall compile and submit to the Interim Finance Committee the plans submitted by each charter holder for FY2026.

AUGUST 15 PLAN REQUIREMENTS

The SPCSA, alongside this guidance document, has provided the “AB398 Teacher Raise Allocation Worksheet.” The SPCSA has completed certain portions of the worksheet, which include: the name of the contract holder, the LEA, the total number of eligible employees (FTEs), and the dollar amount to be awarded to the charter holder. For SPCSA-sponsored schools, eligible FTE counts were based on the October 1, 2024, “Employee Information for All Staff.” For charter schools not in the SPCSA portfolio, this information was submitted by the LEA before the June 15, 2025, deadline.

In accordance with AB398, charter holders must describe the manner in which money distributed to the charter school will be allocated among the teachers and education support professionals employed by the charter school. This funding must provide for an increase in compensation for teachers and education support professionals, which does not replace or supplant any other form of compensation that was provided to teachers or education support professionals as approved by the board in the FY26 final budget; therefore, if the charter holders board had, before the passage of AB398 increased salary schedules or negotiated contracts with a salary increase, AB398 money cannot be used to fulfill that obligation. AB398 dollars must be in addition to any already approved raises. To comply with these requirements, the AB398 Teacher Raise Allocation Worksheet also includes several sections that the charter holder is responsible for filling out.

On Tab 1, “Summary Page,” any information highlighted in blue must be completed by the charter holder. Specifically, the allocation methodology narrative describing, in detail, how the board authorized the distribution of funds. It is assumed that all eligible employees received these funds unless they are identified in the narrative as not being included. Indicate in the narrative if AB398 dollars will be used to pay the PERS benefit associated with the salary increase or if the school will absorb that expense. Two examples follow:

- “ABC123 Charter School did not include paraprofessional, food service workers, administrative assistants, or bus drivers because the school has competitive salaries for these positions; as such, our board determined to allocate all the funds to licensed teachers and educational support professionals whose salaries were less competitive. In FY25, we lost 13 teachers and counselors to outside entities because we were unable to provide competitive salaries. By using these allocations as outlined, we believe we will be better positioned to hire and maintain a highly qualified staff. One of our campuses qualifies as a Title I school. The board determined that teachers at the Title I school would receive a \$ 5,100 raise. Teachers at non-Title I schools would receive a \$4,500 raise. Educational support professionals raises varied by position. The school will pay the PERS amount associated with this raise out of the general fund.”
- “XYZ Charter School included all employees except the administrative assistants and custodial staff in the raises. Historically, we have not had any issues hiring and maintaining individuals in these positions at current salary levels. The board determined to give licensed employees a slightly higher raise, \$3900, than non-licensed employees, \$2700. The board will use AB398 funds for the additional PERS benefit resulting from the raises.”

The narrative MUST match the detailed distribution list on Tabs 2-11 (the campus detail tabs). For example, you cannot say the school chose to cover the PERS increase with general fund dollars and then mark EE on the campus worksheets, or cite only teachers in the narrative and then include counselors, social workers, reading specialists, nurses, etc., in the campus details.

Additionally, the board chair and the school leader must sign this page, acknowledging the following:

- Pursuant to AB398 Sec.8.7.1 approved during the 2025 Legislative Session, "...allocation to the State Public Charter School Authority to provide money to charter schools for salary increases for teachers and education support professionals...", and, "...money appropriated by subsection 1 must be used to supplement and not supplant or cause to be reduced any other source of funding for the support of charter schools or the salary and compensation of teachers or education support professionals employed by any charter school."
- Funds awarded to each charter holder may only be used for salary increases instituted after the implementation of AB398 in the 2025-26 school year. Funds may also be used for PERS benefits directly associated with said salary increases. However, funds may NOT be used for benefit rate increases or salary increases issued before awarding of funds in the 2025-26 school year.
- Charter holders agree to account for funds separately in accordance with SPCSA and NDE-approved accounting methodology, including designated funds and account codes. Schools that do not allocate and report these funds appropriately will not be eligible for 2026-2027 funding.

Finally, the total utilization amount on line 12 must equal the total award pre-populated on line 11. This amount is tallied from the individual campus totals.

Tabs 2-11 are the campus detail tabs. Each charter holder should complete a separate tab for each charter campus, noting the name of each campus at the top of each tab. The charter holder should fill out only the cells highlighted in blue. Please leave any unused campus tabs blank. **DO NOT DELETE the tabs.**

Charter holders can distribute their allocation to best fit their needs. The dollars do not have to be distributed equally among all eligible employees. Tabs 2-11 should only include the names and positions of employees who are receiving compensation increases utilizing AB398 funds. Detailed instructions are included within the workbook.

If your school has a unique circumstance not contemplated by the “AB398 Teacher Raise Allocation Worksheet,” please reach out to Director Mackedon by August 1, 2025, to determine next steps.

Due August 15, 2025

The following is what each charter holder will be required to submit:

- AB398 Teacher Raise Allocation Workbook signed by both the organization’s leader and board chair. Each campus must have its own tab. Do not delete unused tabs!
- Agenda for the board meeting where the school board approved the AB398 Teacher Raise Allocation Workbook.
- Draft or final minutes representing the board's approval of the plan for distributing these dollars.
- A copy of the charter holder's standard teacher contract and an education support professional contract, if applicable.

These documents will be due to the SPCSA on **August 15, 2025**. SPCSA staff will not have the capacity to track down these documents or work with schools on corrections. If a charter holder does not submit ALL required documents, they will not be included in the approval process and will not receive funding.

SPCSA-sponsored schools will submit all required documents to Epicenter. The other LEAs are responsible for submitting the required documents for all schools in their portfolio in a single zip drive, if applicable, with a separate folder for each charter holder in the portfolio. These should be emailed to info@spcsa.nv.gov with the subject line “AB 398.”

REPORTING REQUIREMENTS

Please be advised that any school that does not submit timely and accurate reporting as required will be ineligible for funding in the next fiscal year.

Within 45 days of final IFC approval, each charter holder must submit a board-approved FY26 Amended Final Budget that incorporates these dollars through the creation of a new fund. The new fund code will be 220, and SPCSA staff will guide how to further code the expenditures of AB398 funds in accordance with the NDE chart of accounts.

By August 1, 2026, each charter holder that received a distribution from the money appropriated shall submit a report to the State Public Charter School Authority, which includes, without limitation:

- Detailed information on how all the money received pursuant to this section was spent by the charter school during the immediately preceding fiscal year; and
- The actual increase to the salary of teachers and education support professionals employed by the charter school during the immediately preceding fiscal year, and the amount of such an increase for which the money received was spent.

By October 1, 2026, the State Public Charter School Authority shall compile and submit to the Interim Finance Committee the reports received by the Authority.

As these deadlines approach, the SPCSA will communicate the specific requirements.

FREQUENTLY ASKED QUESTIONS

Is matching required? NO, matching is not required

Can the money be used to cover the PERS rate increase that takes effect in FY26? NO, AB398 funds cannot be used to cover the cost of the PERS rate increase. However, they can be used to cover the cost of the PERS contribution benefit directly associated with the salary increase. Example: Employee ABC receives a \$ 1,000 salary increase, and the employee is enrolled in the Employer Pay Contribution Plan (EPC) through PERS. The associated 36.75% contribution associated with the raise (\$367.50) can be covered with AB398 funds.