



OKLAHOMA STATE
DEPARTMENT *of* EDUCATION

To: Superintendent Ryan Walters and Other Members of the State Board of Education
From: Bryan Cleveland, General Counsel
Date: January 26, 2023
Re: Site Visit to Sovereign Community School

As you may know, Sovereign Community School only had availability for a January site visit from the Department on January 20 or 23. Because the relevant staff from the Department was not available on January 20, the site visit occurred on January 23 and was not included in my first memorandum. This supplement addresses what the Department learned at the site visit, reviewing academic, financial, and organizational information.

For academic information, there were both positive indicators and concerning indicators. On the positive side, Sovereign has improved its class structure so that no more than two grades were in the same class together, changing its past practice of combining up to four grades. In addition, principal James Black has been moving instruction away from an online curriculum toward more in-person instruction. On the more concerning side, attendance during the visit was only 69% out of the 109 students that were on the student roster. The Department is concerned that Sovereign's previous reports of near-perfect attendance may not have been accurate, and Sovereign was unable to produce an attendance register to confirm attendance numbers this school year. Sovereign was also unable to produce transcripts showing that its seniors are on track to graduate.

For financial information, there is some positive news, but Sovereign still lacked sufficient documentation to verify its finances. On the positive side, Sovereign has received a donation of \$150,000. The Department was also impressed that Allison Black maintains a more organized filing system than her predecessors. Nevertheless, Sovereign unfortunately still does not have sufficient documentation to verify its finances. Sovereign was able to provide its receipt and encumbrance registers and a copy of its bank account, but neither those records nor Sovereign's monthly financial

reports contained enough information to verify its fund balance. One key issue is that Sovereign lacks an on-site employee with sufficient training in school finance to properly manage finance and purchasing procedures. It has retained a part-time encumbrance clerk and outside consultants, which is why some financial information is available, but it lacks the full documentation required. Another key issue is that Sovereign lacks a treasurer's reconciliation report that would facilitate verifying the balance. The Department also observed that several cancelled checks lacked the treasurer's signature, which may be why any reconciliation records were incomplete. Finally, even for the information Sovereign provided, the Department is concerned that the encumbrance register is inaccurate. That register failed to list upcoming expenses known to staff regarding utilities and insurance payments, and it showed no encumbrance for the debt requiring repayment. The Department also learned that some debts have unpaid interest accruing, which means that encumbrance is both unlisted and growing. Thus, the Department lacks confidence that Sovereign's records accurately capture all its encumbered expenses and uncashed checks.

For organizational information, Sovereign's records are improved but still need significant work to comply with legal requirements. For example, Sovereign has contracts for all its employees, which is an improvement, but those contracts were incomplete, and not all those contracts are approved by the Board. Sovereign also has failed to provide accurate personnel data to the Department that match the contracts it has on file. In addition, Sovereign does not have records from its December and January board meetings, which meant that the Department was unable to examine the materials from those meetings. Sovereign also lacks documentation regarding its new bus driver's certification. Finally, the Department observed five employees instructing classes, but at least some of those employees are paraprofessionals and not teachers. Thus, Sovereign still needs significant work to repair its organizational issues.