

May 17, 2016

TO: MEMBERS OF THE SCHOOL BOARD OF PINELLAS COUNTY

FROM: MICHAEL A. GREGO, Ed.D., SUPERINTENDENT

SUBJECT: Request Approval of Issuance of a Ninety (90) Day Notice to Terminate the Charter Agreement with East Windsor Middle Academy

**BACKGROUND:**

As a result of ongoing financial concerns with the two schools governed by Windsor School, Inc., the governing board of East Windsor Middle Academy, the charter school's governing board has attempted to conduct a financial and operational audit of the school. Newpoint Education Partners, LLC, the management company for Windsor Schools has provided insufficient information to complete this audit and the school does not have sufficient documentation on file. The information received at this point has revealed significant financial concerns. On May 4, 2016, the State Attorney's Office in Escambia County indicted Newpoint Education Partners, LLC and its subsidiary Epiphany Management Group, LLC, for grand theft, money laundering, and aggravated white collar crime in connection with management of charter schools in that county. Transactions reviewed as part of the attempted audit raise concerns that similar issues that led to the indictment in Escambia County may also exist in Pinellas County. The governing board is in the process of severing ties with Newpoint Education Partners, LLC, however, concerns about financial viability will continue. The District also has ongoing concerns regarding the governing board's failure to properly oversee the school's operations.

**STRATEGIC DIRECTION:** Student Achievement

**ALTERNATIVES:**

1. Approve the issuance of a Ninety (90) day Notice to Terminate the Charter Agreement with Windsor Preparatory Academy and, if appealed, direct the Assistant School Board Attorney to refer the request to the Division of Administrative Hearings to conduct a hearing within 60 days pursuant to Florida Statute Section 1002.33(8)(b)2.
2. Do not approve the issuance of a Ninety (90) day Notice to Terminate the Charter Agreement with Windsor Preparatory Academy.

**RECOMMENDATION:**

Alternative No. 1 is recommended.

**RATIONALE:**

A recent audit has revealed significant financial concerns and it appears that the school will be unable to open and successfully operate in the coming school year. In addition, the indictment of the management company, Newpoint Education Partners, LLC and its subsidiary Epiphany Management Group, LLC in Escambia County raises concerns as to the misuse of taxpayer funds in Pinellas County. The District also has ongoing concerns regarding the governing board's failure to properly oversee the school's operations. These deficiencies constitute good cause for termination of the Charter Agreement pursuant to Section 1002.33, Florida Statutes and Section 1.6 of the Charter Agreement.

The District will prioritize the placement of East Windsor Middle Academy students into District schools.

FINANCIAL IMPACT:

The school's current enrollment is 175 students; however, it cannot be determined how many students currently attending the school will enroll in a District school. The Financial Impact cannot be determined at this time.

DATA SOURCES:

Heather Wallace, Assistant School Board Attorney  
Kevin Smith, CPA, Associate Superintendent, Finance and Business Services  
Richard Wolfe, Director, Charter Schools and Home Education  
Amy Hayes, Senior Coordinator, Charter Schools and Home Education

SUBMITTED BY:

Lori Matway, Associate Superintendent, Student and Community Services

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