

Metropolitan Education District

***Second Interim Report
MetroED Governing Board Presentation
March 13, 2013***





Purpose of Interim Reports

- Formal review of current year budget
- Multi-year Analysis of projected revenues, expenditures, and fund balances.
- Determination of the **adequacy of fund balances** at the end of the current and two subsequent years.
- Determination of the **adequacy of cash balances** at the end of the current and two subsequent fiscal years.
- Identification of **contingent liabilities & resources** to service those liabilities.
- Board certification of financial condition.

Second Interim Report

- Based on budgetary status of District for period ending January 31, 2013.
- Governing Board must certify whether the District is able to meet its financial obligations for the current year and two subsequent years.
- The certification is classified Positive, Qualified, or Negative.

Major Current Year Changes

- Increased evening class fees
- Revised salary and benefit calculations
- Reduced insurance premiums

Significant Future Budget Impacts

- Due to the uncertainty of stable funding for the Adult Education Program the program is projected to run out reserves allowing students to complete their programs in the 2013/14 year terminating much of the Adult Education Program.
- With no Adult Education Program and no commitment to maintain Capitol High School, the projection assumes there will be no program for Capitol High School in 2013/14.

Major Multi-year Projection Changes

- Closing Capitol High School
- Phasing out Adult Ed w/shift to CCC
- Adjustments to WIA and Carl Perkins funding due to Sequestration

Personnel Reductions

- With a verbal commitment from San Jose Unified, there is an expectation that many of the lay off notices approved tonight will be rescinded or never issued, with the following exceptions:
- Adult Education staff impacted by loss of WIA funding and/or Carl Perkins.
- Capitol High School staff.
- Other reductions deemed necessary to reduce expenditures.

Recommendation

That the Governing Board:

- ✓ Accept the Second Interim Report and provide a Positive Certification to the County Superintendent of Schools for all funds.