

NOTICE OF PUBLIC MEETING TO DISCUSS BUDGET AND PROPOSED TAX RATE

The North East Independent School District will hold a public meeting at 6:00 PM, June 27, 2011 in North East Education Center Building, Board Room, 8961 Tesoro Drive, San Antonio, Texas 78217. **The purpose of this meeting is to discuss the school district's budget that will determine the tax rate that will be adopted. Public participation in the discussion is invited.**

The tax rate that is ultimately adopted at this meeting or at a separate meeting at a later date may not exceed the proposed rate shown below unless the district publishes a revised notice containing the same information and comparisons set out below and holds another public meeting to discuss the revised notice.

Maintenance Tax	\$1.040000/\$100 (proposed rate for maintenance and operations)
School Debt Service Tax	\$0.362900/\$100 (proposed rate to pay bonded indebtedness)
Approved by Local Voters	

Comparison of Proposed Budget with Last Year's Budget

The applicable percentage increase or decrease (or difference) in the amount budgeted in the preceding fiscal year and the amount budgeted for the fiscal year that begins during the current tax year is indicated for each of the following expenditure categories.

Maintenance and operations	-3.15 % decrease
Debt service	-0.39 % decrease
Total expenditures	-2.69 % decrease

Total Appraised Value and Total Taxable Value (as calculated under Section 26.04, Tax Code)

	Preceding Tax Year	Current Tax Year
Total appraised value* of all property	\$31,263,102,532	\$30,602,447,221
Total appraised value* of new property**	\$461,667,497	\$305,932,221
Total taxable value*** of all property	\$28,129,843,160	\$27,503,360,105
Total taxable value*** of new property**	\$416,040,309	\$300,340,340

* Appraised value is the amount shown on the appraisal roll and defined by Section 1.04(8), Tax Code.

** "New property" is defined by Section 26.012(17), Tax Code.

*** "Taxable value" is defined by Section 1.04(10), Tax Code.

Bonded Indebtedness

Total amount of outstanding and unpaid bonded indebtedness* \$1,194,313,636

* Outstanding principal as of August 31, 2011.

Comparison of Proposed Rates with Last Year's Rates

	Maintenance & Operations	Interest & Sinking Fund*	Total	Local Revenue Per Student	State Revenue Per Student
Last Year's Rate	\$1.040000	\$0.362900*	\$1.402900	\$6,001	\$3,019
Rate to Maintain Same Level of Maintenance & Operations Revenue & Pay Debt Service	\$1.043692	\$0.429331*	\$1.473023	\$5,951	\$3,033
Proposed Rate	\$1.040000	\$0.362900*	\$1.402900	\$5,800	\$3,158

* The Interest & Sinking Fund tax revenue is used to pay for bonded indebtedness on construction, equipment, or both.

The bonds, and the tax rate necessary to pay those bonds, were approved by the voters of this district.

Comparison of Proposed Levy with Last Year's Levy on Average Residence

	Last Year	This Year
Average Market Value of Residences	\$177,032	\$176,091
Average Taxable Value of Residences	\$161,810	\$160,982
Last Year's Rate Versus Proposed Rate per \$100 Value	\$1.402900	\$1.402900
Taxes Due on Average Residence	\$2,270.03	\$2,258.42
Increase (Decrease) in Taxes		\$-11.61

Under state law, the dollar amount of school taxes imposed on the residence homestead of a person 65 years of age or older or of the surviving spouse of such a person, if the surviving spouse was 55 years of age or older when the person died, may not be increased above the amount paid in the first year after the person turned 65, regardless of changes in tax rate or property value.

Notice of Rollback Rate: The highest tax rate the district can adopt before requiring voter approval at an election is \$1.402935. This election will be automatically held if the district adopts a rate in excess of the rollback rate of \$1.402935.

Fund Balances

The following estimated balances will remain at the end of the current fiscal year and are not encumbered with or by a corresponding debt obligation, less estimated funds necessary for operating the district before receipt of the first state aid payment:

Maintenance and Operations Fund Balance(s)	\$92,319,062
Interest & Sinking Fund Balance(s)	\$28,931,866*

* As of August 31, 2011

**North East Independent School District
2011-2012 Proposed Budgets
General Fund, Food Service Fund, Debt Service Fund**

	Proposed 2011-12 Budget	Proposed 2011-12 Budget per Student (67,550)	Estimated 2010-11 Expenditures	Estimated 2010-11 Expenditures per Student (66,510)
Instruction	\$ 316,025,784	\$ 4,678	\$ 327,101,856	\$ 4,918
Instructional Support	70,667,490	1,046	73,324,932	1,102
Central Administration	10,890,546	161	11,237,175	169
District Operations	107,378,506	1,590	109,569,254	1,647
Debt Service	105,248,423	1,558	105,665,179	1,589
Other Functions	2,847,449	42	3,082,542	46
	<u>\$ 613,058,198</u>	<u>\$ 9,075</u>	<u>\$ 629,980,938</u>	<u>\$ 9,471</u>

This information has been updated to reflect the 2011-12 budgetary status as of 6/6/2011 .