

**COUNCIL ROCK SCHOOL DISTRICT**  
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To Members of the Council Rock Community:

It takes only a casual look at the evening news to understand the economic problems we face in this community and this country. Every community is impacted by this historic recession and Council Rock is not immune. This letter marks the beginning of an ongoing conversation between Council Rock and you, our community, on the 2009-2010 budget.

In early September, the Council Rock School District began to address significant issues that arose from the abrupt downturn in the economy. This created a need to restrict spending in the 2008-2009 budget to align expenditures with an unanticipated decline in revenues. After a detailed analysis of the recession's impact on Council Rock, our administrative team met with our entire staff in early November to outline the emerging problem. Our goal was to enlist the collaboration of our staff to realize **\$2,000,000 in savings** in this current budget year (2008-2009).

As of this writing, we have accounted for over \$1,500,000 in savings this year. We expect to exceed \$2 million dollars by May. In so doing, we will balance the 2008-2009 budget. It is important for you to know that few organizations have survived this fiscal year with a balanced budget and the savings we have realized reflect the great work of this entire school community.

Over the past six months, we have carefully studied the effect of this recession on our school district – most particularly on the revenues we rely upon each year to support our schools. You can find a detailed analysis of four (4) key revenues – interest earnings, earned income tax, property tax, and transfer tax at this [LINK](#). Our Director of Business Affairs, Robert Schoch, authored the analysis. A team of over 25 school finance experts including college professors, economists, government finance experts, financial analysts, and business administrators from across the state has validated his research and trend analysis. This expert panel has reviewed this work and substantiated each of the premises. The final conclusion results in an anticipated **revenue loss** for 2009-2010 that ranges between \$5,400,000 and \$7,200,000. We will continue to update these estimates into May when our Administration and Board will work toward a final budget for the 2009-2010 school year.

In the next two months, we will be preparing our 2009-2010 budget to submit to our Board of School Directors. This work requires that we look carefully and deliberately at the entire Council Rock organization to maximize our revenues and to control

expenditures. There is no single initiative that will account for this significant revenue loss. Rather, the work that we do needs to concentrate on many different ideas that will come from collaboration with our school community. Among the many initiatives that are taking place to build the 2009-2010 budget:

- A detailed and exhaustive look at every expenditure line in our budget to decide which expenditures are necessary, and which items may be deferred or eliminated during these difficult times.
- Efforts to renegotiate every contract with vendors to a 0% increase for next year.
- Significant meetings on cost savings and revenue-expanding ideas that take the form of Benchmarking Committees. Benchmarking allows us to measure our practice against other districts and organizations in order to arrive at “best practice”. Our goal in each benchmarking effort is to examine our practices, improve process, and prove cost effectiveness. Among a variety of benchmarking teams, we are concentrating on these issues:
  - Energy
  - Transportation
  - Co-Curricular Programs
  - Facility Use
  - Curriculum and Program
  - Paperless Initiative
  - Government Funding of Medicaid (Access) Reimbursement

Within each of these studies is the potential to realize *greater economies and efficiencies* and to expand existing revenues. The results of these studies will afford Council Rock the opportunity to demonstrate to you the efficacy of program and practice.

- We have implemented budget strategies for next year that will set milestones based on economic data and release portions of certain known expenditure lines at various times in the school year. This strategy will allow us to monitor revenue throughout the summer with the potential to hold spending should revenue projections and the economy get worse in the intervening six months.
- We have been working with the staff in Council Rock for these past three months to solicit input and cooperation toward cost savings. It is our goal to ensure that you are appropriately informed and engaged in this process. We have established an email portal – [savings@crsd.org](mailto:savings@crsd.org) - and it is through this portal that I now invite you to offer constructive ideas and suggestions about how Council Rock can manage this economic downturn.

These are but a few of the many ways that Council Rock is actively responding to these difficult economic times. This letter will be posted on a new website [LINK](#). The front page link will be marked **CR Finances**. This new link will enable you to see the results

of our work and to get updates on the progress we are making toward a reasonable and responsible budget.

Most sincerely,

Mark J. Klein  
Superintendent of Schools