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DAVID L. BREWER III  
 SUPERINTENDENT OF SCHOOLS

To All LAUSD Employees:

Congratulations to our students, teachers and staff for making last school year one of the best in recent memory. LAUSD soared 21 Academic Performance Index points, not the one to two point gains of previous years. Our current success is reflected by academic improvements at almost every grade level and in every subject as a result of the dedicated and creative work in the classroom. We still have a long way to go, but we are on our way to greatness. Despite our multiple challenges, the District is graduating more students who are reading, writing, speaking and thinking as true 21<sup>st</sup> century learners. Our recent norm day numbers showed a 3000+ student increase this year in 12<sup>th</sup> graders – an unprecedented total of 34,755 students poised to graduate.

Our shared challenge, however, lies in protecting and sustaining our student achievement gains in the face of what former Federal Reserve Chairman Alan Greenspan calls a “once in a century credit tsunami.” This global economic debacle is hitting everything from the state budget to city government to the grocery bill. State Controller John Chiang said the recently approved state budget, “was out-of-balance the moment it was signed,” in part, due to “Enron-style accounting tricks.” Thus, the District must make difficult changes right now because of these grim financial realities beyond our control.

This situation is especially urgent because California’s financial picture is getting worse every day. The Governor has called for an emergency legislative session in November, and we anticipate their actions could swell the District’s current \$375 million deficit to more than a half-billion, which would require even steeper, potentially devastating mid-year slashing. We cannot allow this deepening state budget emergency to drive the District into bankruptcy. Without substantial, systematic, responsible District-wide cuts and help from Sacramento, LAUSD will not be able to make payroll by the end of next school year. Not for teachers. Not for librarians. Not for principals. Not for cafeteria workers. Not for bus drivers. Not for the staff at the local district offices or the Beaudry headquarters. No one would get paid.

As we try to honor our commitments to our children with shrinking resources, some may point the finger at the Beaudry headquarters. We accept this constructive criticism. However, this is no time for business as usual or saber-rattling. Crises demand focus and unity of purpose. I am sometimes asked about the addition of 200 administrators since 2001. Many are principals assigned to the 74 new schools built since then. Others are required by the Special Education consent decree. I promise when the District can cut without violating the law, the education code or a court order, or dramatically impacting student achievement, those reductions will be made. And about those consultants, nothing is sacred. Nothing is off the table. That said, we will have to make some very tough decisions.

We must view this crisis as a true challenge that we will overcome. Managing wisely in these very challenging and stressful times will not be easy. I recognize that and will seek greater budget flexibility for principals, who know better than others what can be cut without jeopardizing the District’s number one priority: Student achievement.

To help everyone understand this tough situation, I have assigned Senior Deputy Superintendent Ramon Cortines to lead a series of informational meetings in early November. In addition, the District will provide the most up-to-date financial data to all who need it so we can begin the arduous work of identifying potential cuts. I have also convened a Blue Ribbon Committee to help us think out of the box about generating new revenue. At my urging, California superintendents will meet in November and December to discuss financial strategies to help us weather this budget “tsunami.” By December 15, 2008, LAUSD must submit a balanced budget document (AB1200) indicating that the District can afford to pay its bills on time for the next three years. That deadline is upon us. Time is running out.

I know how difficult and stressful this fiscal crisis has become for all of you. However, if we work together and work smarter, then I assure you that we will survive to educate our students during these tough times just as our parents and grandparents survived and raised families during the Great Depression. This is our responsibility. This is our mission. This will be our legacy.

Sincerely,

David L. Brewer III

*Every LAUSD student will receive a state-of-the-art education in a safe, caring environment, and every graduate will be college-prepared and career-ready.*