

Schools fear 'contract' will cost them

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Middletown - Picture this: The state tosses a local school district a big chunk of money to boost learning.

But the superintendent tells taxpayers he can't use the money. He says he has to raise local property taxes instead. Taxpayers go crazy and torpedo the proposed budget.

That's Superintendent Ken Eastwood's nightmare. He could end up living it.

It began in January, when Gov. Eliot Spitzer unveiled his proposed state budget. He called for a massive \$7 billion hike in school aid over four years. That has drawn wide support.

But to make sure the money was not wasted, Spitzer wanted to hold districts accountable. Districts that get a state aid hike of 10 percent or more, or that get

additional aid of more than \$15 million, have to sign a "contract for excellence."

Middletown fits into that category, Eastwood said. So does the Newburgh district, a spokesman said. There may be more, depending on how the numbers fall once the state budget is finalized.

The "contract for excellence" requires districts to spend most of the extra state money on programs that improve student learning - smaller class sizes, more instructional time, full-day kindergarten and the like.

Here is the Catch-22 in Spitzer's plan: Districts can only spend the additional money on new programs, not current ones.

But Middletown already has many of these programs, which are paid for by local taxpayers, Eastwood said. The restrictions mean the school district can't use the new money without duplicating what it already has.

"Since we have been proac-

tive, we get punished," Eastwood said.

Middletown has nearly \$5.8 million in state aid at stake. Other districts may be in a similar situation and not yet know it, Eastwood said.

"It will be kind of like a kick in the teeth when they find out," he said. Spitzer's proposals create other problems as well, according to Bob Lowry, deputy director of the state Council of School Superintendents.

Say voters force their district into a contingency budget. Then the district can neither spend the state aid as Spitzer mandates nor use it to lower taxes, Lowry said.

Spitzer's excellence contract also forces superintendents into three-year contracts tied to student performance. If test scores don't improve enough, they can be fired. But lots goes into performance that superintendents don't control. As a consequence, Eastwood said, "you are going to drive good people away" from troubled school districts.



Ken Eastwood

Contracts for Excellence

SCHOOL DISTRICT	2007-2008 FOUNDATION AID	CHANGE IN DOLLARS	PERCENT CHANGE
Orange County			
Middletown City	46,070,717	6,968,370	17.8%
Newburgh City	87,189,058	10,479,434	13.7%
Port Jervis	21,831,410	2,149,813	10.9%
Valley Central	22,258,787	2,626,311	13.4%
Sullivan County			
Ft. Valley	3,322,907	659,894	24.8%
Monticello	19,513,651	3,196,215	19.6%
Tri-Valley	5,668,765	1,007,872	21.6%
Ulster County			
Ellenville	11,510,234	1,490,245	14.9%

Source: New York State Council of School Superintendents

Eastwood has written to state legislators about the situation.

Said Assemblywoman Aileen Gunter: "I think the governor is on the right track regarding funding. But only the teachers and superintendent in that district can describe the needs for that district. ... They need discretion."

There is still time for change. Spitzer is locked in budget negotiations with the state Legislature. "We will certainly review (Eastwood's) concerns," said Spitzer spokesman Brad Maione.

Eastwood is worried. "I don't think anyone is listening," he said.

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