

For Chancellor, Trying Times Erode Support

By ABBY GOODNOUGH

Schools Chancellor Harold O. Levy has had an excruciating summer, with a new crisis erupting almost weekly since May and political support that has gone from emphatic to tepid at best.

First came a string of highly publicized sexual abuse incidents in city schools. Then City Hall and the State Legislature passed budgets that did not provide nearly the increase in education spending that Mr. Levy had requested. News of a shortfall in the school construction budget drew jeers from Mayor Rudolph W. Giuliani and other officials, and the criticism intensified last week, when Mr. Levy revealed that estimates of the shortfall had ballooned by almost 50 percent to \$2.8 billion.

Mr. Levy's troubles have been compounded by election-year politics: all six major candidates for mayor have seized on the recent problems and loudly proclaimed the school system a disaster zone. Every candidate has distanced himself from Mr. Levy in recent months, with several hinting they would oust him if elected. Even Peter F. Vallone, the City Council speaker and usually an ally of schools chancellors, has denounced Mr. Levy's request for more city funds.

"Harold has had a very bad spell," said Steven Sanders, chairman of the Assembly Education Committee and one of the few politicians who have continued to support Mr. Levy publicly. "There's been a confluence of some very difficult dynamics that have undermined his authority and contributed to a crisis atmosphere month after month."

Mr. Levy's multiplying problems and shrinking support have raised the question of whether the Board of Education will cut short his tenure, which is not supposed to end until next June at the earliest. Ninfa Segarra, the new board president and an ally of Mr. Giuliani's, has publicly attacked almost every strategy Mr. Levy has em-

ployed to deal with the recent problems and questioned his effectiveness.

There is also the possibility that Mr. Levy, who took office in January 2000, will decide on his own to jump ship, following a long line of chancellors who succumbed to the city's rough-and-tumble politics. He insisted on an escape clause in his contract that allows him to resign "at any time, with or without reason."

A long-awaited plan for reducing the school system's central administration, which Mr. Levy is to release tomorrow, could play a major role in determining his fate. Mr. Levy, the city's first chancellor to come from a corporate background, promised early on to use his private-business expertise to sharply reduce the board bureaucracy, and much of the recent criticism has focused on his failure to do so.

Appearing before the congregation of the First Baptist Church of Crown Heights on Sunday, Mr. Levy said the new plan contained "some of the most profound administrative changes at the Board of Education in a generation." A panel of prominent business executives, including Jerry I. Speyer, chief executive officer of Tishman Speyer Properties, and Gerald Levin, chairman and chief executive of AOL Time Warner, helped assemble the plan, and Mr. Levy's allies are hoping that their involvement will compel Mr. Giuliani to support it.

But some education officials doubt the plan will produce the major budget and staff cuts that Mr. Giuliani and other critics are demanding.

One official familiar with some details of the plan described it as "rearranging the deck chairs on the Titanic." Others said the plan did contain some potentially significant changes, including layoffs. But they said most of the administrative changes were so technical that the public would not be able to digest them easily.

According to a broad outline of the plan, obtained by The New York Times, it calls for staff reductions "in every central administrative department and every district office," modernization of the payroll system and contracting out certain functions, including maintenance and operation of the central board's computer system.

No board members have publicly

called for Mr. Levy's resignation, and his friends and enemies alike predict that the board will not force him out before January, when a new mayor takes over. Doing so, these people say, would create too much instability and reflect badly on the board members and on Mr. Giuliani, who has already driven two chancellors out of town.

Nonetheless, Mr. Levy's allies also say they fully expect Mr. Giuliani and other critics to continue chastising the chancellor until the day a new mayor takes over. "Whatever he does short of self-immolation on the steps of 110 Livingston Street will not satisfy the people who have decided to be critical of him," Mr. Sanders said.

The Board of Education will complete its annual evaluation of Mr.

For New York's schools chief, this summer has been no vacation.

Levy's performance in the coming weeks, and Jerry Cammarata, the Staten Island representative and a mayoral ally, predicted that it would be harsh.

"I believe the chancellor's evaluation is going to be, and should be, highly critical of the haphazard way in which he has tried to crisis-manage the Board of Education rather than systemically improve the structure," Mr. Cammarata said in an interview last week. Ms. Segarra, the board president, did not return calls seeking comment on Mr. Levy's performance.

Mr. Levy's supporters quietly insist that as the November election draws near, the public will not care what Mr. Giuliani and his allies think about the chancellor and the school system, focusing instead on what the candidates vying to replace him say. The question, they say, will become whether the next mayor will want Mr. Levy replaced immediately after he takes office in January or decides that Mr. Levy should stay at least through June 30, when his contract ends.

Even though Ms. Segarra's term is not up until June, Mr. Levy's allies

are hoping that her influence will wane after Mr. Giuliani, who appointed her to the board, leaves City Hall.

Some people close to Mr. Levy say that he is determined to finish out his term, in large part because he badly wants to negotiate a new contract for the city's 80,000 teachers that includes a significant raise in exchange for stricter work rules. Such a deal would be a crucial part of Mr. Levy's legacy, since he has made recruitment of qualified teachers a top priority. In an interview last night, Mr. Levy hinted that he did want to stay at least through June.

"My task is nothing short of changing the culture of a massive organization, and I am just getting started," Mr. Levy said. "This is a long-term effort, one that I would like to see through to finality."

Mr. Levy's allies say that in addition to settling a teachers' contract, he wants to make some instructional changes and sort out the problems surrounding school construction, not least because it is one of his areas of expertise and he is embarrassed that it has remained a glaring trouble spot under his watch. He took an initial step last week, when he proposed taking the responsibility for building schools away from the Board of Education and fired Patricia Zedalis, the head of the division of school facilities.

As his political support has eroded, Mr. Levy has tried to rally community organizations, parent groups and churches to his cause, painting his recent troubles as "us" versus "them." During his visit to the Crown Heights church on Sunday, he encouraged the congregants to help him lobby for more money and warned that his vision for the school system — better teachers, more after-school programs, higher standards — was in danger because budget cuts were "undermining innovation, crippling it."

Even some of Mr. Levy's strongest supporters disapprove of his dogged focus on school financing, saying it makes the chancellor look like he is ducking responsibility for the system's educational failings. But Ernest Clayton, president of the United Parents Associations of New York City, said that parents appreciated Mr. Levy's stubborn attempts to secure more school aid.

"We definitely wouldn't want to see him go," Mr. Clayton said. "But he does need some kind of a win."