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September 1, 2004

By Hand Delivery

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Re: CFE v. State of New York  
Index No. 111070 / 93

To The Special Referees:

John D. Feerick  
E. Leo Milonas  
William C. Thompson  
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Enclosed is the Memorandum In Support of Defendants' Sound Basic Education Plan, with an attached chart comparing defendants' and plaintiffs' accountability proposals (Ex 1). If, after reviewing the parties' submissions and hearing argument on September 8, the panel feels that additional evidence or submissions are appropriate, defendants respectfully submit that the panel should convene a conference to discuss the issues on which the panel wishes further evidence, and the appropriate timing and means by which such evidence should be submitted

The panel has indicated that if further proceedings are necessary, the parties should insofar as is possible identify witnesses they may wish to call to provide testimony before the panel. The defendants may call experts as described below. They may also call State and City officials as may be warranted. The parties have agreed to prepare stipulations of fact for submission to the panel in lieu of testimony, addressing recent reform, accountability and finance areas. We expect that this stipulation, which we have targeted for submission by September 30, 2004. will reduce the number of State and City witnesses who may be called. In the event it is necessary to call such witnesses in areas not covered by the stipulation, we will submit a brief supplemental list.

#### Experts

The following experts may provide testimony in the areas indicated:

Robert M. Palaich  
Augenblick, Palaich & Associates  
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Denver, CO 80203  
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Chester E. Finn, Jr.  
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William B. Fairley, Ph.D  
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Respectfully submitted,

Bruce B. McHale  
Assistant Attorney General

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