

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
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SENATOR CHAMBERS: Do you think he can predict how much of it is going to be sold seven years from now?

SENATOR BAKER: I don't...I don't think he can predict the market, no.

SENATOR CHAMBERS: So why are you going to say that seven years ahead of the deadline a change must be made because you think the board is not going to comply with what the law gave them, in effect, twelve years to do?

SENATOR BAKER: Eleven years, but the point is they don't want to dump all this the last year. They need to sell this in an orderly manner or they are going to flood the market.

SENATOR CHAMBERS: We're seven years away and you conclude that they are going to hold this until the seventh year and then dump it all on the market.

SENATOR BAKER: I don't think their intentions are to adhere to LB 1205, to be honest with you. I don't think it'll be sold.

SENATOR CHAMBERS: There was an amendment that I worked hard to get onto that bill and it was adopted which said that in no case should any of this plan be executed if the execution of it would require the board to violate its fiduciary duties. Now what has been done so far...

PRESIDENT MAURSTAD: One minute.

SENATOR CHAMBERS: ...that you think is a violation of that fiduciary duty? And I'm not talking about a difference of opinion between people as to what the best course is.

SENATOR BAKER: Their fiduciary duty would be to maximize income of that trust and, by their own admission, they've been returning 4 percent on it when the State Investment Officer has been returning 8-3/4 percent on the balance that is not in real estate. So I question whether they are performing their fiduciary duty.

SENATOR CHAMBERS: I will continue this when I get called with