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LB 1010

value, we'll use what the market value of it is and drop the portfolio value down to 65 percent. It's also pointed out in the auditor's report the portfolio investment, and this is minus the land, they have sold some land in the last three years, the investment portfolio has gone from \$154.9 million June 30 of '96 up to \$269.3 million in three years. That's the non-real estate portfolio. That's where I get the 25 percent, nearly 25 percent, it's 25.8 or 24.8 percent increase. That does not...that excludes the money that was put into the portfolio from land sales. This is only the increase in the value of that non-real estate portfolio. The land has gone up 3 percent per year versus almost 25 percent, not a good decision on the part of the board to not getting this land sold as per LB 1205 directs them and put into the portfolio.

SENATOR CUDABACK: One minute.

SENATOR BAKER: It goes on through here, the cash appropriations, I'm going to try and answer some questions we had on General File, it says the board should...recommends the board either comply with Section 72-232.02 or make an effort to get the statute revised. That statute says a cash fund is hereby authorized and the State Treasurer shall out of the receipts from the school land deposit in such cash fund the amount appropriated by the Legislature for each fiscal year on the first day of each fiscal year. They're not doing that. To decipher that, it says that the rental payment should be used to administer the unsold school lands put in a cash fund administered by the State Treasurer. The Legislature shall appropriate that on an annual basis. We're not doing that as I pointed out on General File. Since 1978 we just let them do their own thing over there. We are actually in violation of statute. It's 72-232.02. We're to appropriate that money out of their cash fund.

SENATOR CUDABACK: Time.

SENATOR BAKER: The board's response, the board has made an effort to get the statute revised and has been able to do so. I don't know where they attempted, made the effort because it hasn't been since I've been down here. I don't know when they last tried it.