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LB 1010

**SPEAKER KRISTENSEN:** The Nebraska Investment Council already produces a report of expected long-term rates of return. They do that with their current investments right now. They'll show that that's where the commonly given term of 8.5 percent comes from. It's from their report of expected long-term rates of return.

**SENATOR BROMM:** Okay, Senator Kristensen, I'm going to offer an amendment to your amendment and it's going to say, the board shall accept any final bid for a tract of land that has an expected long-term rate of return that is less than the expected long-term rate of return on the permanent school fund as projected by the Nebraska Investment Council. These people are going to flaunt the Legislature every chance they get.

**SPEAKER KRISTENSEN:** Who are these people?

**SENATOR BROMM:** These people are the Board of Educational Lands and Funds. These people are the same people that have actually testified before the Education Committee that they really didn't know if they would comply with the Nebraska legislative directive or not. They're the same people that if you read the audit that just came out, this was the most arrogant response to an auditor's comments that I have ever seen from a so-called state agency. I don't see how we can let them operate in this fashion. They are paying their farm managers more than people like Farmers National and other known farm management companies. They're doing this with dollars that would otherwise go to our school children, and I cannot stand here and defend that. It is a self-perpetuating hierarchy that has the nicest offices in town of any of our state agencies. They do not stay in any state offices. They do have their own building and that's fine except that those are dollars also. I see what you're getting at, but I would feel much more comfortable saying that if they get a bid that exceeds the long-term expected rate of return they shall accept that bid rather than saying they shall not...

**SENATOR CUDABACK:** One minute.

**SENATOR BROMM:** ...accept the bid. I'm going to offer that amendment to further discussion and we'll see where it goes.