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the expected return would be either hard to calculate or the same for both. But let me ask you another question. Let's suppose we did adopt this and to make an extreme case let's suppose that the board had the option of investing money in a savings account in a bank at 5 percent or playing keno, putting all the number on one money...or, one number, and as a result of that the expected return was 5.1 percent. Would that mean that they should put the money on the keno number?

SPEAKER KRISTENSEN: Well, that's not what the amendment says, though. The amendment talks about the rate of return on the permanent school fund so you have to use their actual investment policy.

SENATOR RAIKES: But if you're simply looking at rate of return and ignoring risk associated with it, would that be consistent with the fiduciary responsibility?

SPEAKER KRISTENSEN: No. But that's a different...you're going in a different direction.

SENATOR RAIKES: Well, I am going in a different direction because I don't think you can narrow your focus to just an expected rate of return. I think you have to consider both the return and risk aspects of any investment.

SPEAKER KRISTENSEN: But the Investment Council has an expected long-term rate of return on the permanent school fund. They have their given strategies; and given their strategy, they project what their rate of investment and return has been.

SENATOR RAIKES: But if you are a member of the Board of Lands and Funds, shouldn't you consider not only what their expected return as you've just described is, but also what the dispersion about that expected return?

SPEAKER KRISTENSEN: Oh, I think that's true, sure. I agree, yeah. But that's not what my amendment says.

SENATOR RAIKES: In fact, I would suggest your amendment ignores that.