

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

April 3, 2000

LB 1010

all these 30 parcels was right out in the middle of the Sandhills, which would be the lowest renting ground that they have. So that's what they're moving, and I think they're going to continue to move that. But they're going to have to keep going now. In Custer County, if they don't sell some in the next couple of years, it's all going to be leased back, and it's...they talk about the length of the leases, they can be five, six, eight, ten, twelve, some of them was actually fifteen years to start out with, they are all lengths. Nothing was stable about the amount of years, it was never all the same. And so a lot of them in Custer County, of course, is eight years, but that's not the case everywhere else. So it's all different years. So, I'm...I'm not sure why we really need this amendment, really; I think we can do without it. Thank you.

SENATOR CUDABACK: Thank you, Senator Jones. Those wishing to speak to the Kristensen amendment are Senators Baker, Bromm, Kremer. Senator Baker, and this will be your third time, Senator.

SENATOR BAKER: Thank you, Senator Cudaback. I won't take the whole five minutes here. But I have yet to hear anybody say that we don't have a fiduciary duty, whether you want to say the board has also fiduciary duty, which they do, they're still our agent; haven't heard anyone tell me yet how you can justify a 4 percent return. Long-term they've gotten 4 percent return on this, when the state investment people have had a 8.75 percent return over that same long period of time. And, as I've pointed out, it's much higher than that in the last three years in the audit, it was 24 percent...or actually accrued value on the invest...on the portfolio. Also, I'm still...I'm listening to that, if somebody can tell me how you can justify keeping something that's making 4 percent when you can get 8 percent. And actually it's going to be higher than that. Our administrative costs are a million dollars a year on this thing. As we sell this land down, I would assume the board would have the good judgment to get rid of some employees over there. We're not addressing that in the bill; we've got to give some credit, I would hope, to them, if they can do that. Also, to address Senator Kristensen's whole basis on this, you have to understand that the return on the land, the rent value, the actual rent that they say, okay, we're going to lease this half