

Transcript Prepared by Clerk of the Legislature Transcribers Office
Nebraska Retirement Systems Committee April 8, 2021

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our COVID-19 response protocol

LINDSTROM: My name is Brett Lindstrom. I'm Vice Chair of this committee. I'm from Omaha, Nebraska, and represent District 18 in northwest Omaha. For the safety of our committee members, staff, pages, and the public, we ask that those attending our hearings to abide by the following. Due to social distancing requirements, seating in the hearing room is limited. We ask that you only enter the hearing room when it is necessary for you to attend the bill hearing in progress. The bills will be taken up in the order posted outside the hearing room. The list will be updated after each hearing to identify which bill is currently being heard. The committee will pause between each bill to allow time for the public to move in and out of the hearing room. We request that everyone utilize the identified entrance and exit doors to the hearing room. We request that you wear a face mask covering while in the hearing room. Testifiers may remove their face mask covering during testimony to assist committee members and transcribers in clearly hearing and understanding the testimony. Pages will sanitize the front table and chairs between each testifier. Public hearings for which attendance reaches seating capacity or near capacity, the entrance doors will be monitored by a sergeant of arms, who will allow people to enter the hearing room based upon seating availability. Persons waiting to enter the hearing room are asked to observe social distancing and wear a face covering while waiting in the hall or outside the building. To better facilitate today's proceedings, I ask that you abide by the following procedures. Please silence or turn off your cell phones. Move to the front when you're ready to testify. The order of testimony will be: introducer; proponents; opponents; neutral; and then closing. Testifiers, please sign in. Hand your blue sign-in sheet to the committee clerk when you come up to testify. We ask that you spell your name for the record. Please be concise. We will not use the light system today due to limited people in the room. If you will not be testifying at the microphone, but want to go on record having a position on a bill being heard today, there are white sheets at the entrance where you may leave your name and other pertinent information. These sign-in sheets will become exhibits in the permanent record at the end of today's hearing. We ask that you please limit or eliminate handouts. Written materials may be distributed to committee members, as exhibits only, while testimony is being offered. Hand them to the page for distribution to the committee and staff when you come up to testify, but we need eight copies. If you have written testimony but do not

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have eight copies, please raise your hand now, so a page can make
copies for you. To a-- to my immediate right is committee counsel Kate
Allen. To my further right, down at the end of the table, is Katie
Quintero, who is the committee clerk. The committee members with us
today will introduce themselves, starting with Senator Clements.

CLEMENTS: I'm Rob Clements. I represent District 2: Cass County and
parts of Sarpy and Otoe.

McDONNELL: Mike McDonnell, Legislative District 5: South Omaha.

STINNER: John Stinner, District 48: all of Scotts Bluff County.

LINDSTROM: Thank you. And our page today is Jenna, but I think we have
another page here, too.

NOA SNYDER: I'm Noa.

LINDSTROM: Noa, we have Noa and Jenna with us today. The committee
will take up the bills today in the order. We will start with
appointments for the PERB: Thomas Zimmerman and Pamela Lancaster. And
then we will go from there. And we'd like to welcome Chairman
Kolterman, and I'll turn over the duties to the Chairman.

KOLTERMAN: Thank you, Vice Chairman Lindstrom. Do we have-- the first
appointee from the Governor that we'll take a look at is Thomas
Zimmerman. Everybody should have that. Is he on the line? Judge
Zimmerman, welcome.

THOMAS ZIMMERMAN: Good afternoon, Senator Kolterman and committee
members.

KOLTERMAN: Can you tell us a little bit about your-- your background
and why you want to serve on the Public Employees Retirement Board?

THOMAS ZIMMERMAN: I would be happy to do so, Senator. And I thank you
and the community-- committee members for the opportunity to appear
before you here today, and particularly being able to appear by phone,
as I am a trial judge here of general jurisdiction. I am here, located
here in Lincoln, but we do have a busy court docket. So I appreciate
the opportunity to appear through this means. A little bit about my
professional background. As I mentioned, I am currently a county court
judge for the Third Judicial District, which is comprised of Lancaster

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County. It is a court of general jurisdiction. My professional career started as a teacher, so I also have that in common with the NPERS board and its membership. In addition, both my wife, two of my kids, and one son-in-law are also teachers. As an attorney for 25 years, I was in private practice and, while I was a small office that did general practice, I focused, particularly in my later years, doing estate planning and personal and business planning. At one point in my legal career, I also obtained my securities license, and I had a Series 6 and 66, and a Life and Health license that assisted me in the ability to fully represent clients and assist them in their-- both their retirement, as well as their estate planning needs. Personally-- and then, as I mentioned, I've been a judge now for over five years. Personally, I am a husband, a father, and now a recent grandfather, as of about 15 months ago. The reason that I would-- or reasons that I'd like to serve on this board include that I do have-- in my history, I've had the privilege of serving on other boards and have been able to give back to my community. I was on the Matt Talbot Kitchen and Outreach board for 11 years, and one of those years also served as president of the board. I have also served on the Lincoln Bar Association board, actually for two terms, once in the mid-2000s and then again for the last three years, three-year terms in both of those stints on that board. I have an interest in retirement plans, as I mentioned, given my background in-- and in securities and investments. I think I could bring that to bear on the NPERS board. And finally, I would be honored to serve as the judicial representative on behalf of the approximately 341 current and retired judges of this state.

KOLTERMAN: All right. Well, thank you very much. By the way, I would tell you, we're somewhat kindred spirits because I used to have those same licenses that you had.

THOMAS ZIMMERMAN: Oh.

KOLTERMAN: Do we have any questions from the committee? Seeing no questions, I appreciate your willingness to serve. It's hard to find good quality people, and you have the background. We'll be getting back to you on the outcome. But I see no reason you probably won't be approved. And we'll look forward to working with you in the past-- in the future.

THOMAS ZIMMERMAN: Thank--

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KOLTERMAN: In the future, excuse me. I was thinking about Judge Derr--
you've got some big-- big shoes to fill there.

THOMAS ZIMMERMAN: I recognize that, and-- but I do look forward to
serving. And so I-- I am-- very much look forward to my appointment,
if you find that to do so. Thank you, Senator and committee members.

KOLTERMAN: Thank you, Judge Zimmerman.

THOMAS ZIMMERMAN: All right. Bye now.

KOLTERMAN: Goodbye. The next call will be Pam Lancaster, who's going
to be calling in. Before she call-- or while we're waiting for her to
call in, I will tell you that we have some submitted testimony for Pam
Lancaster by NACO, Beth Ferrell from NACO. So that will be in the
record. Pam, are you there?

KATIE QUINTERO: [INAUDIBLE] she calls in.

KOLTERMAN: She's going to be calling in, so we'll give her a minute or
two. She's a reappointment. You have that in front of you. She's--
she's served now, does a good job. We've had the opportunity to work
with her in the past. Hello, Pam?

PAM LANCASTER: Yes.

KOLTERMAN: How are you today?

PAM LANCASTER: I'm good, thank you. Have I reached [INAUDIBLE]?

KOLTERMAN: You're breaking up just a little bit. Could you talk a
little bit again?

PAM LANCASTER: Yes. I was hoping that I'd reached the right number. I
called from my landline because it was stated that, on the cell phones
sometimes, it breaks up. I could call in from my cell phone, if that's
preferable.

KOLTERMAN: Well, I think we're getting you now, we're following.

PAM LANCASTER: OK, good.

KOLTERMAN: Just-- just talk slowly.

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PAM LANCASTER: All right.

KOLTERMAN: This is a reappointment. You've done a good job on the board in the past. Tell us why you decided to run again.

PAM LANCASTER: Well, I really have found the appointment very rewarding. And by the-- by the way, I'm very, very appreciative. I was listening to that-- to-- to the first appointee, and I-- and I, as well, am very grateful for the opportunity to call in because-- well, for various reasons, with COVID and so on. But it is-- we're very busy at county government, and this starts a busy season with audit and with budget, and so on, so it was very nice to, like I said, be able to call in. But that's why I'd like to be reappointed. I was very grateful for the opportunity five years ago. Providing oversight to a program benefit would improve the employees' financial well-being after retirement is-- is a very great thing. I enjoy the people on the board. I feel, in general, they are there for the same purpose and appreciate each other for what specific skills we each bring to the table with-- which vary, obviously. And the administration, in my mind, is second to none. Randy Gerke is an amazing director who has a real knack for hiring and retaining very qualified people. He seems to allow them to grow in their position. They-- they certainly have respect for one another and work well together. I've always been impressed at how Randy gives his staff credit for whatever is taking place. And the initiatives that they take, it-- he's remarked that the employees have come to him with various ideas to make the department better, stronger, more efficient, and so on. I've served on numerous boards-- local, state, and federal-- and I have to say this has truly been one of my favorites. I-- I do serve the-- on that audit committee here at home. I have for a number of years. I've served on the county board for 24 years, the majority of those years as chair and, as well as, like I said, as the audit committee chair. And I have-- in my background as well, I served on two federal boards: Workforce Development and Veterans. I'm very devoted to Veterans as well as my other county duties. I'm married to a disabled Vietnam veteran. And then, the two state boards that I serve on are the Workforce Development. I chair the board for 88 counties for Workforce, and-- and I'm hoping to be retained on this board, so--

KOLTERMAN: Thank you, Pam. Are there any questions from the committee? I'd just like to say I appreciate your willingness to serve again. You bring a lot of expertise from the perspective of you've been a

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teacher, you've worked with county government. You'll do-- you've done
a good job of representing them. I've enjoyed working with you in the
past, so I look forward to that in the future. Seeing no questions,
we're going to move on. Thank you again for your willingness to serve.

PAM LANCASTER: And thank you, Senator Kolterman and the other
committee members. I appreciate it. Bye now.

***BETH BAZYN FERRELL:** Good afternoon members of the Retirement
Committee. My name is Beth Ferrell, Legal Counsel from the Nebraska
Association of County Officials (NACO). I appear today in support of
the re-appointment of Pamela E. Lancaster to the Public Employees
Retirement Committee. Ms. Lancaster served as NACO president in 2010.
Before that and since then she's been very active at committees and
different activities for NACO. She's also been involved with the
National Association of Counties (NACo). She was very involved in some
veterans' activities at state, local and National levels. We supported
her nomination to the Public Employees Retirement Board in 2016 and we
continue to support her service on the Board because she ably supports
counties' perspectives through her work on the Board. Thank you for
your willingness to consider our comments. If you have any questions
or would like additional information that I may provide, please feel
free to discuss them with me.

KOLTERMAN: OK. Thank you. OK, now we'll open the hearing on-- who do
we want to take first here? Sen-- we will take Michael Walden-Newman
for the Nebraska Investment Council. Welcome.

MICHAEL WALDEN-NEWMAN: Thanks.

KOLTERMAN: Man, we haven't seen you for a long time.

MICHAEL WALDEN-NEWMAN: I know.

KOLTERMAN: But you-- just like a bad penny, you just never go away.
Right?

MICHAEL WALDEN-NEWMAN: And I was vying for another hearing just to see
some people.

KOLTERMAN: So would you state your name, please,--

MICHAEL WALDEN-NEWMAN: You bet.

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KOLTERMAN: --and spell it?

MICHAEL WALDEN-NEWMAN: Yeah. Mr. Chairman, committee members, I'm Michael Walden-Newman. I'm the state investment officer with the Nebraska Investment Council. And the name is M-i-c-h-a-e-l, last name, W-a-l-d-e-n-- hyphen-- N-e-w-m-a-n. Mr. Chairman, I thought I'd just go through this really quickly. It's 275 pages long.

KOLTERMAN: That's fine [LAUGHTER].

MICHAEL WALDEN-NEWMAN: Is that all right?

KOLTERMAN: Make that very quickly.

MICHAEL WALDEN-NEWMAN: Mr. Chairman, I'm happy to-- to visit about our annual report, which is actually this document here. But if-- if you go on our Web site, among the other things you'll find if you're looking for performance reporting, you're going to get a snapshot today. But this is the performance report that's posted on our Web site each quarter. And it is-- it's getting close to 300 pages. So it's that and a lot of other information is-- is on the Web site. The hard copy report that I brought today, and that you all received ahead, is just a snapshot of the council to meet the requirements of the law for annual reporting. So I thought I'd hit a few highlights. And I know I'm going to tell you things that you already know because we've worked together now these six-plus years that I've been the state investment officer here. You know that the structure of the Investment Council, as set up by the Legislature in Nebraska, is-- is in the minority of our peers in that we're a stand-alone state agency devoted solely to the management of the state's public funds. Most times you see people like me reporting to the director of a retirement system of some kind, and often those retirement systems are single plans. So what we have in the Investment Council, what you have and what the people of Nebraska have-- has is a-- have is a stand-alone agency managing today over 34 as of the end of December-- and today-- \$34-35 billion across multiple plans-- retire-- over half are the retirement plans of public employees across Nebraska. We manage all of the state's trusts, and we manage the state's checkbook, which these days you'll see is over \$5 billion dollars, with federal money that's come into the state because of COVID in the last year. So it-- it's a big responsibility, and one that the nine of us at the Investment Council on staff take seriously, and then my board of directors take

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very seriously. I thought I'd cut to the chase on the money, and that's how the plans did. You all know that the teachers, judges, and Highway Patrol pension plan runs on a fiscal year, a state fiscal year of Jan-- July through June. The cash balance plan and the Omaha Plan run on a calendar year. And this report's timing, by law, is best done on a calendar-year basis to give you the most recent information. So these returns are through December. The DB plans-- well, the-- the teachers', judges', and Highway Patrol plan returned for their fiscal year-- that is July through December-- the first six months, over 17 percent. The cash-- cash balance plan, which is on a calendar-year basis, went through March of last year, and the dip that happened in the spring. But still, despite that, that plan ended above 12 percent, 12.4 percent for the calendar year, which is, frankly, a very welcome return compared to what we were afraid of much earlier in this-- in this year. The endowments have-- we have two endowments. One, a pooled endowment that is-- has an asset allocation of 50 percent fixed income and 50 percent equities, that pool returned 8.4 percent for the-- for the year, which is good. The healthcare endowment, which is 75 percent equity, 25 percent fixed income, came in at 12 percent for the-- for the calendar year. And I talk a little bit about Omaha in the front of the report there. The plan returned 9.4 percent for the-- the calendar year. And again, to remind you of things you already know, the state gave the Investment Council management of those assets in 2016, effective January of 2017. So it's been a good bit now. It's been a successful relationship, from where I sit, with the folks in Omaha-- with the staff, with the school board in Omaha-- a lot of communication and open communication. And we're both very clear on the path forward for the assets. We inherited a portfolio that was upwards of 50 percent of illiquid assets that weren't easily traded. And our goal was-- is to, and remains-- was and is to get that portfolio to mirror the portfolio of the retirement plan for the rest of Nebraska's education employees. And we've been at it now several years, and we've gotten those illiquid assets down now, from about half down to, say, 20 percent. So I think, within the next several years-- I'm hoping, in the next two-three years, that there will be but a small amount left of legacy assets that we're unable to quickly liquidate, and that we'll have to just let ride out on the-- on the portfolio. But you've seen their returns, relative to their peers, come up as they've transitioned more toward the same kind of asset allocation as the rest of Nebraska educators. So we're happy about that. I think they're happy about that, as well.

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KOLTERMAN: OK, thank you.

MICHAEL WALDEN-NEWMAN: Yeah. Just quickly on the organization, I wanted to thank you all for the support we've received. The organization is stable, the staff is stable, importantly the board is stable. You know that you've just reappointed a board member, most of them, and the board members now have served more than one term, and that's-- and some multiple terms-- and that brings a lot of stability to the program and keeps the focus on the long term, which is what's critical, because this isn't personal money, and it's-- it's-- it's a-- belongs to other people. And the time horizon is not a lifetime, but it is-- we're investing for people who are not yet born. And we know that, and my board knows that. So with the-- the report mentions a bit what we've got up our sleeve. We've wrapped up, as you know, the new changes to the defined benefit and deferred compensation plan. We had great cooperation from-- from you all, to begin with, in getting the law changed to allow us to update those options. We had great collaboration with NPERS and with Ameritas, the record keeper, to making that transition in January of this year, after really several years of work on the project. And right now we're wrapping up an analysis of the fixed-- fixed income piece of our portfolios which, for the retirement programs I didn't mention, but you know is 30 percent of those plans. That should wrap up this year. And we're undertaking now-- just launched this year-- a new blank sheet review of the equity portfolio, which we undertook, beginning five years ago, and put a new equity allocation in place. And our process is to each, on a five year cycle, re-- revisit those portfolios in a holistic way, from the ground up. And so that-- already the five years have run and we're going to deconstruct that and reconstruct that portfolio to best serve the plans, moving forward. So again, thank you. Thank you for the-- the budget support out of your own appropriations. You know, our-- our-- we cut our budget last year. You gave us some flexibility on salaries, which is much appreciated. I-- I guarantee you, I speak for others on that. And then our budget in front of you this year is flat except for two that already cut budget, except for state-- whatever the state expectation is or the outcome may be for state costs, including salaries and benefits, but no special requests. So thank you. I'm happy to answer any questions.

KOLTERMAN: Thank you, Michael. Are there questions? I just have a couple.

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MICHAEL WALDEN-NEWMAN: Sure.

KOLTERMAN: Since we had such good results this year, does that mean
that we do another-- the state and county gets another dividend?

MICHAEL WALDEN-NEWMAN: Mr. Chairman, you're not the first-- you've
been listening to my phone calls. It's incredible how quickly those
come when the-- when people eye that. What's very nice about being me
today is, I'm not the person to answer that.

KOLTERMAN: I know. I know that, but I-- I just thought I'd throw that
out.

MICHAEL WALDEN-NEWMAN: Those are the best kinds of questions.

KOLTERMAN: I-- I will tell you that,--

MICHAEL WALDEN-NEWMAN: But they're great.

KOLTERMAN: --in all seriousness, you're doing a great job. And is
Aons-- you still-- do you continue to work with Aon in that? They do
good things for us.

MICHAEL WALDEN-NEWMAN: Yeah. Aon is-- is-- Aon is still our
consultant. And, you know, you bring up about returns. And I'll just
close with this. There are a couple of different ways to run
investment portfolios. There's a way where you can run what's called
an efficiency model, and another is an opportunity model. And the
opportunity model is one where you set up a portfolio that you expect
to earn a certain return. And what you do is to do what you can and
need to, to try to achieve that return. You put a lot of faith in
active management. You put your money into investments that promise
high returns with some higher risk. And we do not follow that model.
Our model is an efficiency model, where we pay for active management
only when we think it really will pay. And we focus on the risk in the
portfolio first and foremost, and then try to achieve the best returns
we can within that risk.

KOLTERMAN: Well, you've done a good job with it. Thank you.

MICHAEL WALDEN-NEWMAN: Thanks very much, all of you. I mean--

KOLTERMAN: So seeing no other questions,--

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MICHAEL WALDEN-NEWMAN: --I mean that sincerely.

KOLTERMAN: So I appreciate your willingness to come again today. That
will conclude--

MICHAEL WALDEN-NEWMAN: Thank you.

KOLTERMAN: Thank you again, Michael.

MICHAEL WALDEN-NEWMAN: Thanks very much.

KOLTERMAN: Next hearing-- or next report will be from Randy Gerke,
executive director of NPERS.

RANDY GERKE: Good afternoon, Chairman Kolterman and members of the
Retirement Committee. My name is Randy Gerke; that's spelled R-a-n-d-y
G-e-r-k-e. And I'm the director of the Nebraska Public Employees
Retirement System. And it's my pleasure to present my-- the NPERS
annual report for 2021 today. There's a lot of information here, and I
know that this is a very busy day. I would be happy to answer
questions at the end, but there are just a few things that I just want
to point out. And then, hopefully, you'll find this as a good
reference to what our agency does for you and your staff, if asked
questions by your colleagues or constituents; and that-- that would be
my hope. I do want to just mention the accomplishments that are on
page 5. I've got to get my glasses out. The-- our membership has grown
to 141,000-- over 141,000, and our assets are \$16.8 billion. We paid
out, over the year, \$940 million in benefits. This has been a very
challenging year for everyone I know, and the agency is included in
that. But we've learned to step up on many-- in many ways for-- to
provide service to our membership. We are providing full-day seminars
that are entirely on-line, as well as in-person now, we have resumed.
But they are in a video format, so anyone that is interested and has
an Internet connection can view those at any time, rather than attend
in person. We've developed or taken out a YouTube channel for all of
these videos, and we're able to track and analyze what's being watched
and how. As Michael mentioned, we-- we rolled out or were part of the
rollout of the 17 new investment fund options. And I would thank the
NIC and Ameritas for their help in that, Six-- page 6 also has more
accomplishments. We are the-- our voluntary plan, the deferred
compensation plan, we now offer the option to sign up through the
state's open enrollment process, which will be starting again-- last

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year was our first year for that. It was really a success, and our membership grew quite a bit in that. They also can maintain that account pretty much on-line now, which is something new. We're trying to eliminate paper, and so that-- that helps a lot. Our schools are a-- our schools actually, you know, shut down as well last-- last spring because of COVID. And-- but we still need some of these reports, and so we've developed ways for them to submit on-line, noncontributing member forms, which are-- are very important to us in order to process benefits. We sent our-- about two-thirds of our agency home to work in March last year, and we did that within a two-week period. Our disaster recovery plan actually didn't accommodate. We were always going to meet and-- and conduct our agency business in another location, not spread out throughout the city or the eastern Nebraska, which some of our folks don't even live in Lincoln. But our IT folks made that available or made that possible for two-thirds of our staff to go home and work. Most of them worked at home through the end of-- the end of March, April, May. And then they did come back in June primarily. Our call center also was able to work from home. It was something-- these are things that we hadn't even dreamed of probably two years ago. But I just want to say, our benefits continue to go out the door. Our contribute-- our contributions continue to be receipted. Our staff continue to be paid, all without a hitch, through-- through this last year, which is very important to me. This year-- in this coming year, we are going to expand our investment op-- or I'm sorry, our options for seminars, as well as redesign our Web site. That's way-- way overdue. We are conducting virtual office visits now rather than in-person. We're doing both, actually, but it's something that the membership likes. They like being able to do sort of a FaceTime type of thing. We use Webex, and that's caught on very well, and we're going to expand that. We're also going to expand our training for our staff. It seems as though there is some need for that. We have-- legislation is in the next group. I wanted to point out the funded status of the plans, which is on page 13. The judges' plan is 97.3, school plan 91.7, Patrol is 88.1. And that's something to be proud of for this committee, as well as the entire Legislature and the Executive Branch. That's just as important to-- to you to continue to have that great funding. I would just jump over to page 16, and that there's some historical asset values there by the plan. Also, 17 has our membership. Our budget is on the following page. We hover around \$6 million, give or take. And that has been for this last five years. The

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rest-- the next few pages are just some charts that show the videos and our call center membership or our-- and membership of-- of how they are being utilized. I want to point out on page 25-- I would-- I would be remiss if I didn't tell you this-- that our service delivery results are in the bottom lower left-hand corner, and they're a little bit lower than they were last year. I know there are some people that track that. We try to get 75 percent of our retirement benefits, after the-- all the paperwork is in, out the door within 90 days, or we try to get them all out. And this year it was 75 percent. Last year it was about 79, so it was down a little bit, which I do think our goal in helping the training actually-- or increasing our training for our staff, that will come into play. There's also other things we're looking at to try to do better on those service results. The-- the rest of it is a different appendix. I do like to just point out, on-- it starts on page 31, this is a snapshot of, in December, 2020, that the-- what our-- this was the benefits that went out the door from our agency and Omaha is included in-- at our column in this-- to each county in Nebraska. And you can find your own county in there, or I know some of you in more than one county, but for instance, Senator Clements, \$936,000 in-- hit the economy of Cass County in that particular-- that particular month, and that's that's a general month. So 88 percent of our benefits stay in the state of Nebraska. And so I think we're vital to the economy here. The last part of our report is board policies, which we update every year. And I think with that, I'll just be brief, but I'd be happy to answer any questions.

KOLTERMAN: Randy, thank you for the report. It's a tremendous amount of work, and you do a tremendous job and-- with your committee. Are there questions from the committee, first of all? It's hard to believe that we put out, what, \$63 million a month--

RANDY GERKE: Yeah.

KOLTERMAN: --to the state of Nebraska-- goes right into our economy, that's from retirement paychecks; it's remarkable. I would like to publicly thank you and your team for working so hard with this on options of the judges' retirement plan, as well as the work that you voluntarily so far have done with OSERS and advice, and helping us work through what would-- what will work, what won't work. And I know you've been paid for some of that, but obviously, you haven't been paid for the full amount. So thank you for your cooperation. We'll see where that bill goes, but it hasn't gone unnoticed.

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RANDY GERKE: Thank you very much. We enjoy working with this committee
a lot. So thank you.

KOLTERMAN: Any other questions? With that, we'll close out the annual
report; appreciate it.

RANDY GERKE: Thank you.

KOLTERMAN: OK. That concludes our hearing for the day. I would like to
go into Executive Session. Is there a motion so--?