

November 20, 1986

Hayden to the Investment Council.

SPEAKER NICHOL: Senator DeCamp.

SENATOR DECAMP: Okay, let me explain. The committee voted to approve that. I am making a separate motion to disapprove. Okay?

SPEAKER NICHOL: Yes.

CLERK: Mr. President, Senator DeCamp would move to amend the Banking Committee report to strike the word "approve" and put the word...insert the word "disapprove" with respect to the appointment of Mr. Gregory Hayden.

SPEAKER NICHOL: Further discussion, Senator DeCamp?

SENATOR DECAMP: Mr. President, I'll be very brief, I hope, and just explain where I am coming from. The Investment Council, as you know, handles hundreds and hundreds of millions of dollars of funds that belong to citizens of the state. Not too many years ago I waged about a three or four-year war to change the rules and investment of that council. And, finally, with a minimum vote of 25 votes on the floor here, got that changed, so they have adopted something called the prudent man rule. The prudent man rule is the right to use some judgment in investing of those funds. Previous to that time, most of that money had been locked up in 2, and 3 percent, 4 percent bonds. And, in essence, the investment of those tens of thousands of Nebraska citizens and teachers, I thought, was being poorly invested. It might interest you to know, if anybody ever wants to make a study of it, that we got the law changed just before, just before the famous stock market rise that has occurred since then. Money was taken from the pension funds and then put into the stock market, and the state employees, teachers, as a result of that, have realized I'm going to guess possibly tens of millions, for sure, but hundreds of millions, possibly. I'm not sure of the numbers. This investment of these funds is very important to the future of the state in terms of how it treats its employees that have all of that money there, teachers, state employees. Mr. Hayden is eminently educated, eminently qualified, and my only disagreement with him is essentially philosophy. I have a second reason for wanting to suggest you consider not approving at this time. This appointment is for a five-year period. You have a new Governor coming in. I believe that new Governor is going to want to work closely with that