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The Committee on Nebraska Retirement Systems met at 12:10 p.m. on Tuesday, March 20, 2012, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on annual reports by the Nebraska Public Employees Retirement Systems and the Nebraska Investment Council. Senators present: Jeremy Nordquist, Chairperson; Russ Karpisek; R. Paul Lambert; and Heath Mello. Senators absent: LeRoy Louden, Vice Chairperson; and Lavon Heidemann.

SENATOR NORDQUIST: Good afternoon and welcome to the Retirement Systems Committee. I'm State Senator Jeremy Nordquist from District 7, Chair of the committee. Our staff today to my far right is Laurie Vollertsen; to my immediate left is Kate Allen, our committee counsel. We'll start over with Senator Mello on my right there for introductions.

SENATOR MELLO: Heath Mello, District 5, south Omaha and midtown.

SENATOR KARPISEK: Russ Karpisek, District 32, from Wilber.

SENATOR LAMBERT: Paul Lambert, District 2, from Plattsmouth.

SENATOR NORDQUIST: I think Senator Heidemann and Louden will be joining us eventually. We're going to go ahead and get started here to hear the annual reports of the Public Employees Retirement Systems and the Investment Council. We'll begin with Phyllis Chambers from the Retirement Systems. Welcome.

PHYLLIS CHAMBERS: Good afternoon. Does everyone have a report?

SENATOR NORDQUIST: I think we do. Thank you.

PHYLLIS CHAMBERS: Great. Senator Nordquist and members of the committee, my name is Phyllis Chambers, P-h-y-l-l-i-s C-h-a-m-b-e-r-s, and I'm the director of the Nebraska Public Employees Retirement Systems. I'm here today to present the annual report. I'm pleased to report that in 2011 it was a record-breaking year for NPERS. Our plan assets grew to $9.6 billion, exceeding our previous high of $9.2 billion in 2007. The number of member accounts also grew to 115,060 member accounts topping last year's record of 112,827. We also paid out a record number of benefits, over $503 million in refunds, rollovers, and monthly annuity benefits in all six plans. We also processed a record number of school retirements--1,570, and 655 of those had June 1 effective dates. We were extremely busy throughout the summer. While we use technology to process school retirements, each and every file is personally reviewed and audited by a retirement specialist to ensure that we're paying the proper benefit required by statute. Some of the school employees also take a refund, usually those that leave the profession early in their career. We processed over 1,800 school refunds last year. And as far as the State Patrol, we had 16 State Patrol retirements last year; and 20 judges retired last year. I think we often focus on the defined benefit plans, but I thought I would share some interesting facts about the state and county plans with you today. In the state employees plan, we processed 2,700 distributions in 2011 for a total of $96 million. And in the county plan we processed over 1,200 distributions in 2011 for a total of $25.7 million, and that was both defined benefit and cash balance...excuse me, defined contribution and cash balance plans. Of those distributions, approximately 8 percent of the members choose an annuity, and 29 percent choose rollovers, 55 percent choose a lump sum refund, and the rest choose a combination, including a systematic withdrawal, or a few people defer their retirement until a later date. Prior to 2003, the annuities for the state and county defined contribution plans were annuitized by a third party provider. When we established the cash balance plan, in 2003, we started doing annuities in-house just like we did for the school, judges, and patrol. Since doing that, the numbers of state and county annuities has increased dramatically over the past nine years. When we first started in 2003, we processed 44 cash balance annuities and 28 defined contribution annuities. Last year, we processed 752 cash balance annuities and 297 defined contribution annuities that we're paying benefits on, for a total of over 1,000 people receiving annuity monthly benefits from us in the state and county plans. With the new cash balance election proposed this fall, I anticipate the number of annuity benefits will continue to increase significantly in those plans and continue to keep us very, very busy. The report you have in front of you is very similar to those in the past. I would like to take this opportunity to highlight some of the information that's in the plan for you, that's in the book for you. If you look on page 4 and 5, we've listed our accomplishments for last year, and I would like to highlight a few of those. In addition to all the benefits processing I've mentioned, we answered 36,400 phone calls last year and met with over 2,400 members regarding their retirement. We have only five employees in our office who handle the phone calls and the office visits. They have to know everything about every plan, and if one of them is on vacation or sick leave, we really are challenged to keep up. Right now, we are currently booking appointments in June for retirees who want an appointment, and we have to turn some people away because we do not have enough staff to meet all the demands for the office visits that we have. In 2011, we updated 22 rules and regs, so I think you'll be pleased to know that. They had not been done for a number of years and they are currently pending approval at the Governor's Office and then they will be completed. We reduced some of our administrative costs last year by adding the ReliaCard as an optional form of benefit payment. Most of our people take a direct deposit for their benefit, about 90 percent, and we have those people who are older retirees that have been receiving checks for years and, you know, that's the way they want to go. Well, last year, the board adopted the policy that we would no longer issue checks for retirement benefits to any new retirees. So at the present time they have those two options, and so far that's meeting everyone's needs, I believe. We renewed our recordkeeping contract last year with Ameritas. They handle all the state and county plans, the defined contribution cash balance, and the deferred compensation plan and the DROP plan, and so we have them for another five years. We adopted an excessive trading policy last year. We had approximately 30-40 members who were day-trading their retirement accounts, and we...in order to comply with the SEC Rule 22c we adopted a policy to help monitor the excessive trading of those accounts for retirements. We issued an RFP also last year for the compliance audit and contracted with Groom Law Group, and Segal as their partner, to perform the audit. They are currently processing the audit and we should get a draft sometime in April, and then at the present time we're looking at providing a presentation and written report to this body, either May 21 or May 22, and they'll also be presenting their report to the Public Employees Retirement Board on May 21. Our technology system is working well. I think you'll be happy to know our partnership with the Office of the Chief Information Officer is going quite well. They provide us with three of their employees housed in our office. One of them is our IT manager and two of them are developers, Java programmers, and it's working quite well having them support our IT system and we're no longer dependent on an outside provider. If you'll turn now to page 6, you'll see our 2012 action plan. Once we complete the compliance audit, we plan to evaluate the results and incorporate the recommendations of the auditors. We also will be doing an experience study this year. The actuary plans to have that completed this summer and give us a report on that. Also the actuarial contract will expire in 2013, and we will be issuing an RFP toward the end of this year to select our contract for the actuary for the next three- to six-year period. We will be upgrading the IBM Websphere and server software using our own staff to do the work this year. It's a big deal for us to do it ourselves. We will be saving approximately $100,000 to $150,000 by doing it ourselves as opposed to hiring IBM or an outside vendor to do it. So hopefully it will go very smoothly. Once the rules and regs are adopted, we will be implementing a process to assess the counties for late fees. We have been doing this for some time with the schools. We assess late fees for contributions that are submitted late by the employers, and once the rules and regs have been updated we will be able to do that for the counties. We're looking at establishing a Roth IRA rollover provision for all the retirement plans. Last year, we implemented one for the deferred comp plan, and it's going well, and so I think our members will be pleased to have that option. At least some of them will take advantage of that. And we'll be implementing any of the legislation that passes during this session. We anticipate the cash balance election to pass, and so we believe we'll be very busy this summer with school retirements. We'll have at least as many as we had last year, if not more, and that will carry over through the fall. And then we'll also be starting the cash balance election in the fall, and we'll be working on preparation for that this summer, as well. So it looks like the remainder of 2011 (sic--2012) will be very busy for us. The funding status of our plans--it's on page 11 and 12. All of our plans are at least 80 percent funded, which is recognized as a standard for well-funded plans. This comes from a Government Accounting Office standard for private sector plans, and so public sector plans have informally adopted this as a guideline for us as well. The judges plan is 97 percent funded; the school plan is 80 percent funded; the State Patrol is 82 percent funded; the state cash balance plan is 94 percent funded; and the county cash balance plan is 93 percent funded. And, of course, the defined contribution plans are 100 percent funded. Each individual is 100 percent funded in their own account. On page 14 and 15, you will find our summary of plan assets and our plan membership, and that is all listed by individual plans as well as breaking out the cash balance and defined contribution plans. I'd like to call your attention to page 16. That's our operating budget. We're now operating at 5 basis points. That's .005 percent (sic--0.05 percent). I don't know of anybody, any other system that's operating as low as we are. We are functioning at maximum capacity right now for employees and for space. Our appropriations have been reduced the last three years, and I think we're going to need to increase our appropriations in this next budget cycle because we just have so many demands for our member services. I wanted to call that to your attention. And there's a lot of information in here, but I would...for the sake of time I'll move on to the appendices, Appendix B, and call your attention to the monthly benefits being paid to our defined benefit plans. I think it's important to note that 90 percent of our benefits that we're paying out stay in Nebraska, and they go to all the counties in Nebraska. They have been a stabilizing force in these smaller communities because of the economic struggles we've seen since 2008-09. We paid out over $30 million a month to each of these counties, and we're paying...not each, 30 total. But all of the counties are represented. And we paid out...that equates to over $360 million for the year that went out to various counties in Nebraska. And then we also...I think you're familiar that for every dollar paid out there is a multiplier effect. Some say it's 3 times, some up to 7 or 8 times. But we do know that that money goes back into the community and helps support their local communities. In conclusion, I'd like to express my appreciation to the Retirement Committee for all of your support to our agency and to our members. The members are the public employees of Nebraska who are working hard every day in state agencies and counties, large and small, serving as state patrolmen, as teachers in the classroom, and judges on the bench, all have chosen a career in public service and they are looking forward to the promise of a secure retirement in their future. And I hope you'll find the annual report useful and I'd be happy to answer any questions you have.

SENATOR NORDQUIST: Thank you, Ms. Chambers. Just a couple ones that I have on...you mentioned the additional appropriation and how taxed your staff is right now. What specific areas do you think you need...or do you see the need for additional staffing, going forward?

PHYLLIS CHAMBERS: Well, I would say benefits. We're always struggling with benefits, whether it's calculating benefits and making sure all of our benefit processes are done properly and audited properly. And then the call center is part of benefits, but those would be the main ones.

SENATOR NORDQUIST: On the benefit review and auditing, how many FTEs do you have there now?

PHYLLIS CHAMBERS: We have 17 people...well, 17 in the benefits department, and that includes...the call center is included.

SENATOR NORDQUIST: Okay.

PHYLLIS CHAMBERS: So 12 of those would not be call center people.

SENATOR NORDQUIST: Okay. Great. The late fees on counties, does that money...where does that money go when it's collected?

PHYLLIS CHAMBERS: It goes into our expense account and/or it goes into the members' accounts, depending on what it is.

SENATOR NORDQUIST: Okay.

PHYLLIS CHAMBERS: If it's a penalty or if it's the contribution, those are...

SENATOR NORDQUIST: Okay. And any idea on outside of the contributions they have to pay, what type of dollar amount are you anticipating?

PHYLLIS CHAMBERS: I want to say, you know, for a few of the school ones it could be $150 a month or up to $300 a month if they don't send them in on time. So we've...it ranges on whether they're in three days late or 14 days late. We actually charge them by the day, and it's .0038 percent plus a $25 charge, which is an administrative charge, so.

SENATOR NORDQUIST: And then the experience study. When do you expect to have that complete?

PHYLLIS CHAMBERS: It will...they'll begin it as soon as...after April. Our actuary, Dave Slishinsky, will be here in April at the April board meeting to present the cash balance plan for the state and county actuarial reports. Then he'll start on the experience study. And right now, he's tentatively scheduled to give it in August...August 20.

SENATOR NORDQUIST: All right. Thank you.

PHYLLIS CHAMBERS: Yes.

SENATOR NORDQUIST: Any other questions or any questions from the committee? When you...the 10 percent of dollars that are leaving our state, do you think any of that's due to the fact that we tax Social Security? Well, you don't have to answer that. (Laughter)

PHYLLIS CHAMBERS: You're going to put me on the spot.

SENATOR NORDQUIST: No, that's all right. Thank you. Thank you, Phyllis.

PHYLLIS CHAMBERS: Yes, thank you.

SENATOR NORDQUIST: All right. Any...I guess if there's any comments related to that, we would entertain those. Seeing none, that will conclude that portion of the hearing, and now I'll turn it over to Jeff States to present the report on the Investment Council. Welcome, Jeff.

JEFF STATES: Good afternoon. Chairman Nordquist and members of the Nebraska Retirement Systems Committee, I want to thank you for the opportunity to appear today before you to present the Nebraska Investment Council annual report. My name is Jeff States. It's J-e-f-f S-t-a-t-e-s. I am the Nebraska State Investment Officer, and on behalf of the council and the staff I want to express our appreciation to the committee for your continued support and cooperation, and particularly the good working relationship we have with your staff. You should, and I see you all do have a copy of the report. Quickly, turning to it, if you look on page 5, you'll just see a listing of the current council members. I'm very pleased from a staff perspective that the council continues to have good continuity, and I appreciate the committee and the Governor's reappointment of councilmembers as their terms have come up, because it helps with the consistency of our program to have that continuity. On page 6, you will find the council's mission statement that I would just highlight overlays everything we do, because our responsibility is to prudently manage the funds that are entrusted to us by the people of the state of Nebraska, and particularly to provide investment management services that are a direct financial benefit exclusively to the owners of the funds with an objective to provide superior terms with an emphasis on maintaining prudent levels of risk, and that kind of overlies everything we do. On page 11, if you turn to that, you can see the council administers or is responsible for in specific form about 30 different entities. Within that, there are a number of smaller state agencies and other groups that are collectively part of operating an investment pool. But those entities as outlined are in eight broad categories: the defined benefit plans; and the state and county retirement plans and deferred comp, which this committee I know is specifically interested in; the operating investment pool for the state; the Nebraska educational savings plan; a group of general endowment funds; the health care endowment fund; some university monies; and then a couple smaller miscellaneous trusts. For all of these entities, remembering the council's responsibilities with regard to investment management, we do not determine the spending policy of the entities. We also don't in most cases determine either the contributions if their money is coming in or responsible for the payments out of the funds. Again, that's related to the spending. Briefly, and you're familiar I'm sure in a general sense with what went on in the markets in 2011. It was kind of a frustrating year. We started and when I sat before you last year at this point with a good first quarter, that was followed by kind of a weak second quarter and then a plummeting in the market in July through September, and then a recovery towards the end of the year. That was produced to a big extent by a couple factors that are dominant and still somewhat pervade what's going on today. That's the continuing European credit crisis and concerns about whether we would see sovereign debt default, concerns about the U.S. federal budget deficit, the size of it, how it gets dealt with, and during 2011, particularly in the second half of the year, the inability of Congress and the White House to come to an agreement, which created a specter of the federal government shutting down a couple times, and that disruption seemed to cause a lot of consternation in the financial markets. The downgrade of the U.S. credit rating was a significant event in the marketplace last year. For the first time, Standard and Poor's lowered that credit rating from AAA to AA, and that also then had a ripple effect across the corporate area as they adjusted rates to fall in line. Kind of a unique phenomena that was as the rating agencies downgraded it and concerns happened around the globe with respect to credit worthiness, there was a fight to quality, and the Treasury curve actually rallied and rates went down so that the financial markets voted strongly that they still had a high level of confidence in the U.S. government's inability to make its payments even though the relative credit quality on various measures had declined. And last, the U.S. domestic economy continued to experience, and still does, very slow growth, below median GDP growth. Housing continued and it continues to be weak, and that's resulted in weak job growth and an unemployment rate that's stayed relatively high. You'll find my report on pages 7-9, but I'll kind of skip over that and you can turn to page 12, which would provide some of the highlights of what would be in my letter. First of all, as I said, the assets under management for the council grew a very small level this past year, by about $253 million against a base that started at 15.6 and totalling out at just a little over 15.8 on December 31, and that growth took place with about $141 million of that coming from investment earnings and the remainder coming from net contributions. And as you can see, that kind of varies program by program, relevant for the DB plans it continues to be that the net contributions are a negative number because we're paying out in benefits today more than is coming in, in contributions. That just reflects the fact that the system is becoming more mature and there are more retirees receiving benefits today. I would like to highlight for you a couple of the accomplishments of the council because although the markets themselves kind of started and ended at the same point, the council worked hard to try and improve the overall investment management structure we deal with and our asset allocation. Early in the year we began an RFP process to consider our investment consultant, and in November after visiting several firms and talking about the needs of the council, did renew our existing relationship with Hewitt Ennis Knupp. The result of that process did produce for us some significant reduction in the overall cost. Part of that is understanding better what it was costing us to implement both the private equity and real estate portions of the portfolio and getting more mature. Part of it's been the factor that we've had the addition of some staff with your assistance that have been able to take on a few more responsibilities and helped us manage those costs better. Sixty percent of our assets are in the retirement area, but 40 percent of them are in other programs. And this last year, the council took some time to focus its attention closely on some of those relationships, in particular as we looked at the nonretirement assets in the endowments area and the miscellaneous trusts. We reviewed with each of the constituent agencies that those funds belonged to through our staff and with the assistance of our investment consultant, their program structures, the statutory authorities that they work within, whether their federal guidelines or state, what their spending needs are, and what we could do to kind of make sure that we were in sync with their needs to the best of our ability. That resulted in us updating some of our guidelines to bring them more in line with what was happening and I think is an outreach that we'll continue to have with those plan sponsors. Not that we have not talked to them on a regular basis and my staff does, but for many of them we hadn't actually gone out and met with their governing boards or talked to their executive director face to face. And so we established that contact and I think that was well-received and certainly improved our understanding and it did result in us making some modest guidelines, probably the most significant of those as an outgrowth was maybe what we're doing in the healthcare area a little bit, and you're somewhat familiar with that. To enhance our internal capabilities to follow through on a desire that the council had expressed, beginning in 2009, when the credit markets became distressed, that we outsource the portion of the operating investment pool with the desire that once the markets calm, then we could expand our staff, we would bring those assets back in-house. We continue to develop the internal capability provided we did complete the hiring of a second staff person with market experience in that area. We expanded the resources in the office for research and technology support, and gained some training. The first step in that after getting comfortable that we kind of had the pieces in place was that in October the council approved a change in our investment guideline related to the operating investment pool so that we could manage those corporate assets that had been outsourced by the internal staff, and in October we moved a portion of those back in-house so that about $470 million was moved back in-house. Another almost $450 million is still managed by the external manager. That results initially in about a $370,000 savings in manager fees. We've maintained the dual relationship with the portfolio as we kind of monitor what that outside manager is doing, and try and benefit and continue to benefit from their knowledge of the marketplace, and we have regular conversations with them about how they're seeing the marketplace, how they're structuring the portfolio. But with the long-term...I should not say long term...intermediate-term goal, that we will once the council is comfortable and we've demonstrated our ability to manage those assets internally and have the resources necessary forward to do that, that we will bring the rest of that portfolio back in-house and would expect to do that sometime later this year, if we can make sure the council is satisfied with that review. We also continued to conduct some review of our investment strategies and completed some review of the management of our fixed income. And this year we're focusing our attentions now back on our domestic equity structure...or not domestic...actually our total equity structure, to try and make sure that the allocation is correct on a global basis from an exposure, as well as evaluating the active managers we use in our portfolio and the mix of active versus passive management to try and make sure that we get a good risk adjusted return. I would turn you to page 13 which reviews the defined benefit plan. As I previously reported to you, the assets finished the year at $7.2 billion, a very modest investment return with net contributions being negative. The pie chart there shows how those assets are allocated with about 94, almost 95 percent of those belonging in the school plans, and also managing assets for the State Patrol and the judges. The asset allocation for those assets that we're following as shown on page 15, that asset allocation did not change last year so that we're allocated with 30 percent of the assets invested in fixed income, most of that domestic, but it is a global fixed income portfolio. Thirteen and a half...well, we'll just go around the pie chart...with 13.5 in non-U.S. equity, 15 percent in global equity, U.S. equity at 31.5 percent, and then 5 percent allocated to private equity and 5 percent to real estate. And you can find, starting on page 16, a portfolio performance. As I said before, the return for the year was disappointing in that it basically netted itself out to zero; that we paid all the benefits that were necessary and we covered investment management fees, but net of those fees we kind of finished where we started. I would point out as I like to do, though, that the long-term return and the return for this program begins in 1983 with the database we have, reflects that over that since inception period, the investment returns have been 8.9 percent, which continues over the more extended period to be above the 8 percent actuarial rate of return, but even noting that over the last decade which was a very difficult struggle, that those returns were less than that. There is further information here that I'd be happy to answer questions about at some point, if there are any, that breaks down the returns based by asset class and the various forms. Page 22 provides similar information for the state and county plans...or page 23. You can see there, those assets today are kind of equally weighted between the defined contribution assets and the cash balance funds of the state and county plans, as those cash balance assets grow and the defined contribution assets have less participation but continue to be an important asset to us. Their returns...and you can see how those are also allocated based on the various programs. And to be respectful of your time, there is further allocation and breakdown on the defined contribution and deferred comp plans, kind of showing how those assets are allocated, and remembering that we still have a couple other residual plans that have money allocated to them with the Hartford, and there is a State Patrol program for the DROP which is relatively small. The returns for the cash balance plan were identical to those for the defined benefit plans, as shown on page 28. And again, 28, 29, and 30, again because we mirror the asset allocation for those plans with everything else. The asset class performance is also reflected on pages 32-35 of this. I'll skip by that, but I'll also come back and respond to any questions you might have. Under the tab, the following tab starting on page 39, is the summary of the operating investment pool. You can see we finished the year there with 85.2 percent of the assets belonging to the General Fund agencies, a very small piece in the time deposit account, and the 1.3 percent being allocated to various state agencies in a very specific direct manner that we're tracking, so a fairly small piece. We highlight there the fact that we brought the assets back in-house and continue to do that. I think an interesting factor here, if you turn to 40, is that the assets in the operating investment pool did grow. It was one of the better rising areas, and so there was a net contribution increase of about $123 million. Investment results in this area returned about $100 million, so the operating investment pool assets now exceed about $3 billion. The cash flow was strong, reflecting probably some earnings growth as well as I think we always pick up some federal revenues and other things, and those balance us, but a good level of strength which shows that we have funds that are available, and I think that also has made it opportune for us to look at how we're investing those assets. So we make sure we maintain the state's liquidity. But the balances are big enough we've been able to work with our outside manager to separate the intermediate portion of that out so we can try and extend duration and take advantage of the (inaudible) curve a little bit to get a better return for the state. The remainder of the report talks about other programs. The college savings plan, which continues to be strong and I think under the management--the program manager changed last year with First National of Omaha taking that over--it's continued to have good results. We're working to make some modifications with the bank's assistance there this year to refine the options that are available to folks and to further reduce the cost a little bit, but the program continues to do well. And the rest of the report talks about the general endowment funds, the health care, and some of the permanent funds' monies that we manage. The back of the report are the council's policies. I'd be happy to respond to any of those you might have any questions about, and would draw your attention behind the tab that's at the end also to generally the expenses for the program, just to not ignore those, because investment management is not insignificant in a dollar cost, and that's shown on pages 108-109. But we expended about $36.7 million in total last year to manage the $15.8 billion, and that works out to be about 28 basis points, so .28 of 1 percent, which continues to compare favorably on a peer group comparison with other statewide systems, and particularly systems of a similar size that tend to be in the 35-40 basis point area. So I think that's a function of the council's focus on expenses. We use extensively indexing in some of the programs, but that's because we believe that the returns for the higher cost, more active management haven't always supported the expense, and so we've tried to balance that out. And with that, I'd be happy to answer any questions that the committee might have.

SENATOR NORDQUIST: Great. Thank you, Jeff. On the operating investment pool, do you have...would it be possible to get a breakdown of the agencies that...because, I mean, I was just reading they receive a...they calculate the average daily balance and distributes earned, yeah, income monthly on a pro rata share. Do you have, like, a breakdown of the all the agencies and what they received in the last fiscal year? Would that be possible to come up with?

JEFF STATES: It's possible to come up, with the assistance of DAS, the Treasurer's Office, and they kind of tell us what money is available and we invest it, and DAS is significantly responsible for all that money that's identified as General Fund, for knowing which agencies on the cash balances. But we can give you, particularly by the big entities, and I know my staff tracks that because we've been trying to monitor that to make sure we're maintaining liquidity, so we can give it to you for particularly the largest blocks fairly easily.

SENATOR NORDQUIST: Okay. That would be great. And then just we've had a lot of discussions this year on the future of the health care endowment fund, and is there, like, with the investment asset allocation that we have right now, is there an assumed rate of return or a best guess on what we're looking at there?

JEFF STATES: Well, you know, we use capital market assumptions that are fairly similar to those that are used for the DB plan. And, in fact,...so if you look at those and over the longer term, we would expect them to have a return that's going to be somewhere still in about that 7.5 percent range that we would expect for the defined benefit assets. The current allocation is a little more aggressive right now, and because of that it, and it has more equity exposure, it would actually push itself maybe to 7.7, 7.8, somewhere in that range. But coming with that means there's a little bit wider variability in how we accomplish that.

SENATOR NORDQUIST: Okay. Great. Any other questions from the committee? Seeing none, thank you, Jeff.

JEFF STATES: Thank you.

SENATOR NORDQUIST: Any questions...or any additional comments related to the Investment Council? Seeing none, that will conclude the hearing today. Thank you.