

Agency 75 - Nebraska Investment Council

Statutory Authority:

The Nebraska State Funds Investment Act and the Nebraska Capital Expansion Act establish and govern the activities of the Nebraska Investment Council. See Nebraska Revised Statutes 72-1237 through 72-1269. A variety of other statutes, referred to in 72-1237.01, established the Council's investment authority of particular funds. For example, 24-704 gives the Council the investment management responsibility for the funds of the Judges Retirement System.

Vision Statement:

Mission Statement:

The Council has adopted a mission statement which applies to all our activities:

"It is the mission of the Nebraska Investment Council to prudently manage the funds entrusted to us by the people of the State of Nebraska. We deliver investment management services to provide direct financial benefit exclusively to the owners of these funds. We are committed to thorough, sound and informed analysis in order to achieve superior returns while maintaining prudent levels of risk."

Goals:

The value of our advisory services and our activity reporting are difficult to quantify. Therefore, we do not analyze whether their value justifies the costs incurred to provide them. Investment earnings on the assets are compared to a rigorous set of performance benchmarks. In calendar year 1999, the Investment Council's total assets earned \$664 million net of all expenses, an average return of 9.8%. Most of this return is attributable to the above average return for the capital markets in 1999. Looking forward the Council expects a long term average return of about 7% per annum, or \$550 million given the current level of assets. This level of return cannot be achieved without accepting investment risk. Therefore, year to year results will vary widely. We anticipate having investment losses roughly one year in five.

More information on performance can be found in our Annual Report, which is provided as a part of our budget submission. A description of the complete hierarchy of performance benchmarks is contained in the Fund Management Framework, which is available on request.

Financial Data:

	Actual FY00	Approp FY01	Request FY02	Recom FY02	Request FY03	Recom FY03
General Fund	0	0	0	0	0	0
Cash Fund	739,205	555,625	632,094	578,028	639,303	601,226
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	739,205	555,625	632,094	578,028	639,303	601,226

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Program 610 - Invest Administration

Program Objectives:

See Agency Narrative

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Performance Measures:

See Agency Narrative