

received money into Fund 4840 in fiscal year '87 and '88. The Department of Environmental Control could have used some of the money to hire additional staff to act as community liaison and technical support staff. Instead of doing that, the department used the funds minimally up until the time that the license review process began. They used the fund for the most part for travel expenses and a few other odds and ends. Because the department's choice not to hire additional staff from the federal rebate funds, indeed contributed to the confusion that led to this claim and the improper distribution of funds by the department, it is appropriate that the DEC pay for this claim from the federal rebate monies. I passed out to you a summary. It was fairly confusing what took place. The only thing that is pretty clear is that the department did not follow the law when they distributed the money. If you look at the handout, if you want to understand the time line on this, it will make it fairly clear. In 1988, this Legislature created a Community Improvement Cash Fund, \$300,000 to be appropriated equally among the three communities under consideration for the low-level radioactive waste disposal facility. Title 194 set out the regs which defined community for the purpose of the distribution of this fund as the county and municipalities...excuse me, Title 194 set out the rules and regs which defined community for the purposes of the distribution of this fund. That community was defined as the county and the municipalities within the county. LB 761 was introduced by the Natural Resources Committee in January 18 of '89 which proposed a new distribution formula for the Community Improvement Cash Fund. That formula was 50 percent of the \$100,000 received by each county would go to all the municipalities within 10K radius of the site and 50 percent would go to the county treasurer to be distributed to political subdivisions which levied property taxes on the site. That would include the Johnson-Brock School District in Nemaha County. This would be based on a ratio of property taxes levied and certified by the county. LB 761 advanced from committee with a new distribution formula language as part of the committee amendments, on the third...or March 14, '89. In April 18, '89, 761 advanced to Select File with the new distribution language intact. That was in April. A month later the DEC received the request that they claim was a request that they had to act upon and could not change their mind after that point in time. However, on 5-11-89, because of the Auburn letter to the DEC, the DEC notified Nemaha County Board and all municipalities within the county that Auburn had requested the entire \$100,000, explained that what would constitute a properly