

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 13, 2004 LB 1065

with...coming out of money that is fungible, if you will, with General Funds, or very much so fungible with EPIC Funds. What I'm suggesting is that we take the \$370,000 a year that is being used to fund the administrative unit for the Ethanol Board and put that into the EPIC Fund that's used in fund incentives. If that's done, the number of years in which we are robbing money, if you will, out of the LUST Fund can be reduced by one year. It amounts to about \$1.8 million in savings or additional money for the EPIC Fund over the course of the...this incentive payout program, if you will. Now keep in mind this. As I say, the annual expenditures are \$370,000 for this administrative staff. This would not eliminate either the board or the administrative staff. That administrative staff has, as I understand it, \$400,000 now in the bank. This proposal would continue to fund them through the end of calendar year 2004, the current calendar year. The \$400,000 would be enough to fully fund the operation for another calendar year, and then statute allows that they can collect...or receive monies from industry groups if, in fact, they choose to extend the functions, or part or all the functions I guess you could say, beyond that. That only makes, to me, good sense, particularly in the financial situation we now face. Again, we have no obligation, no contractual obligation I know of that we have to continue to fund this money for administrative support of the Ethanol Board. We do have contractual obligations that bind us to funding these plant incentives through the EPIC Fund. It only makes good sense, and I will tell you it seems to me also, that this is ample warning. This group has a year and a half to be funded as they are now, and then an open opportunity to work for funding beyond that point. Some may...I'm anticipating we'll get some of the argument from last...from the last amendment, well, gosh, this is not enough to fix the whole thing so let's not do anything. This is a place to start. And certainly again it gives people warning of what's to come. I would be interested if there are arguments, that we should continue this sort of a funding program when, in fact, we are short of money generally and particularly short of money to fund ethanol incentives. The particular mechanics are that currently the nonhighway use motor fuel checkoff, again this is refund gas, half of that goes to the Agricultural Alcohol Fuel Tax Fund, 1.25 cents; the other other half now goes directly to the EPIC Fund. The Agricultural