

EXHIBIT 2
 DATE 4/4/2011
 SB 329

Legislative Fiscal Division

Impact of SB 329 on State Revenues and Costs - 2013 Biennium

	State Impacts			
	FY2012	FY2013	Biennium	
Added Cost				
Base Aid Inflation (1.2%, 1.2%)	\$ 6,610,132	\$ 13,299,300	\$ 19,909,431	Guarantee Account;
Pathways to Improvement Payment	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	
GTB associated with FBR limited to 15%	\$ -	\$ -	\$ -	
GTB associated with no growth in HB 124 block	\$ 157,721	\$ 316,436	\$ 474,158	
Total Added Cost'	<u>\$ 7,767,853</u>	<u>\$ 14,615,736</u>	<u>\$ 22,383,589</u>	
Cost Savings				
HB 124 Block Grant Growth	\$ 396,344	\$ 795,700	\$ 1,192,043	
GTB Associated with 65%/75% estimation of O&G	\$ 1,435,242	\$ 1,485,471	\$ 2,920,713	
Total Cost Savings	<u>\$ 1,831,586</u>	<u>\$ 2,281,171</u>	<u>\$ 4,112,756</u>	
Added Revenue				
Oil and Gas Revenue - 10%	3,903,447	4,207,802	\$ 8,111,248	New HJR2 assumptions
Oil and Gas - Districts retain Max Bud	10,353,214	11,828,699	\$ 22,181,913	New HJR2 assumptions
Limit Fund Balance Reappropriated to 15% of Max Bud	-	-	\$ -	
Total Added Revenue	<u>\$ 14,256,661</u>	<u>\$ 16,036,500</u>	<u>\$ 30,293,161</u>	
Net Impact to State - Higher Costs	<u>\$ (8,320,394)</u>	<u>\$ (3,701,935)</u>	<u>\$ (12,022,329)</u>	

Assumes HJR oil prices at \$80.47 per barrel in FY 2012 and \$86.74 in FY 2013. The price associated with FY 2010 actual oil and gas receipts was \$69.25 per barrel.

Legislative Fiscal Division

Impact of SB 329 on State Revenues and Costs - 2013 Biennium - Alternative Amendment

	State Impacts			
	FY2012	FY2013	Biennium	
Added Cost				
Base Aid Inflation (1.2%, 1.2%)	\$ 6,610,132	\$ 13,299,300	\$ 19,909,431	Guarantee Account;
Pathways to Improvement Payment	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	
GTB associated with FBR limited to 15%	\$ -	\$ -	\$ -	
GTB associated with no growth in HB 124 block	\$ 157,721	\$ 316,436	\$ 474,158	
Total Added Cost'	<u>\$ 7,767,853</u>	<u>\$ 14,615,736</u>	<u>\$ 22,383,589</u>	
Cost Savings				
HB 124 Block Grant Growth	\$ 396,344	\$ 795,700	\$ 1,192,043	
GTB Associated with 50%/65% estimation of O&G	\$ 850,582	\$ 1,315,663	\$ 2,166,245	
Total Cost Savings	<u>\$ 1,246,926</u>	<u>\$ 2,111,362</u>	<u>\$ 3,358,288</u>	
Added Revenue				
Oil and Gas Revenue - 10%	3,903,447	4,207,802	\$ 8,111,248	New HJR2 assumptions
Oil and Gas - Districts retain 130% of Max Bud	7,870,808	9,310,354	\$ 17,181,161	New HJR2 assumptions
Limit Fund Balance Reappropriated to 15% of Max Bud	-	-	\$ -	
Total Added Revenue	<u>\$ 11,774,254</u>	<u>\$ 13,518,156</u>	<u>\$ 25,292,410</u>	
Net Impact to State - Higher Costs	<u>\$ (5,253,327)</u>	<u>\$ (1,013,782)</u>	<u>\$ (6,267,109)</u>	