

**HB 1358 – Testimony by Dustin Gawrylow (Lobbyist #266) North Dakota Watchdog Network**

While the volatility of oil prices is a major issue for North Dakota, the amount of money the state would have to put at risk in hedge swaps during good years to offset the bad years would far exceed the public's willingness for such a strategy.

Hopefully, there will be other witnesses more able to explain this from a position of expertise.

Instead of trying to hedge oil price risk, the State of North Dakota should simply stop relying on oil tax revenue to support such a large part of its baseline budgeting.

The real problem is out-spending the revenue created by oil (both directly and indirectly).