



LEGISLATIVE BUDGET BOARD

Guide to Fiscal Notes Instructions for Texas State Agencies

**Following the Legislative and Fiscal Notes Processes
and Using the Fiscal Notes System**

LEGISLATIVE BUDGET BOARD STAFF

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Guide to Fiscal Notes

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INTRODUCTION

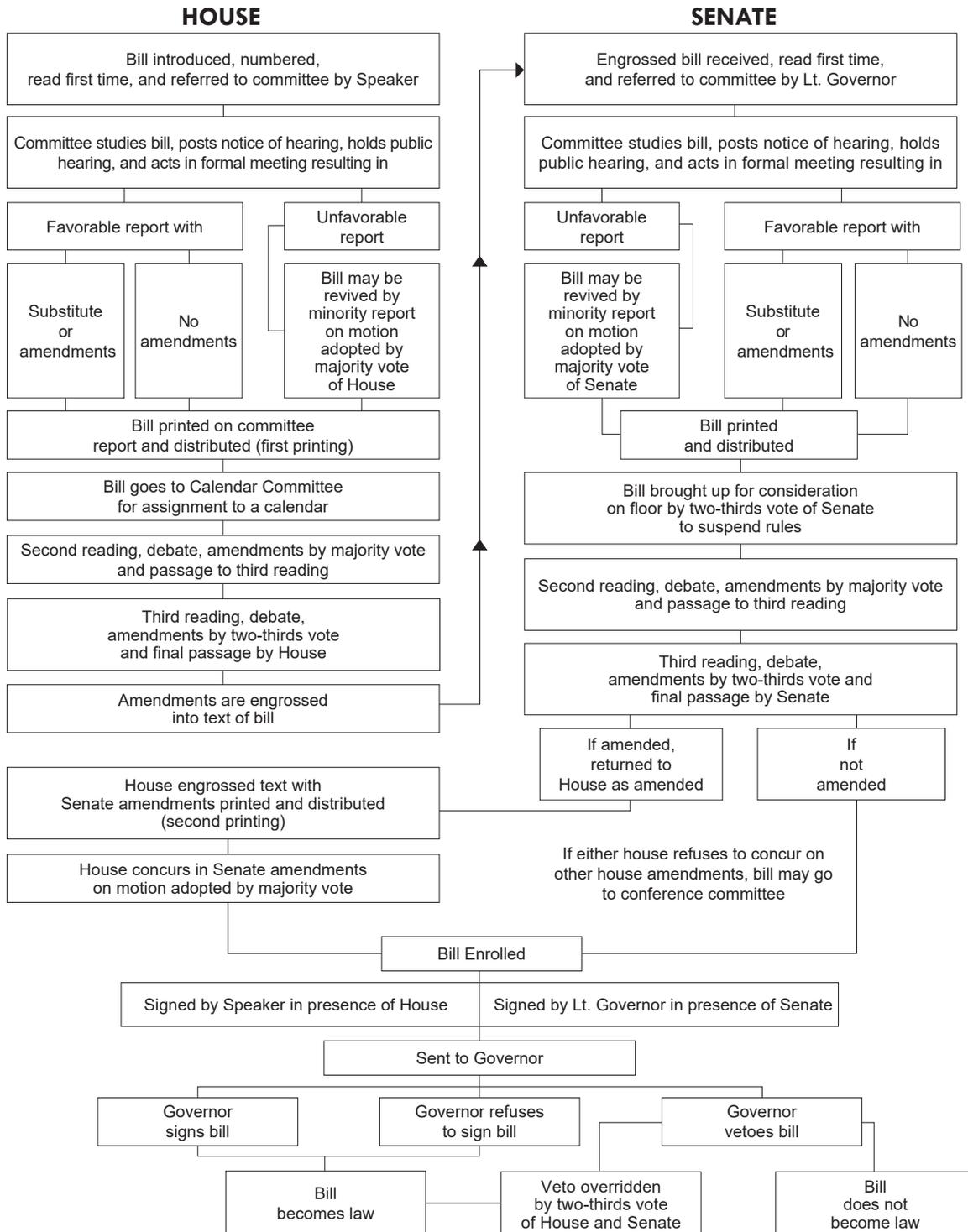
State statute requires a fiscal note be prepared and accompany a bill or joint resolution as it goes through the legislative process. A fiscal note is a written estimate of the costs, savings, revenue gain, or revenue loss that may result from implementation of requirements in a bill or joint resolution. It serves as a tool to help legislators better understand how a bill might impact the state budget as a whole, individual agencies, and in some instances, local governments. The Legislative Budget Board (LBB) does not prepare fiscal notes for simple or concurrent resolutions, only for bills and joint resolutions.

The LBB gathers impact data for fiscal notes from state agencies through a web-based fiscal note system (FNS). Part I of this manual is designed to assist state agencies in following the legislative and fiscal notes processes. Part II provides instructions for state agencies for preparing cost estimates and on how to use the FNS. A list of LBB fiscal note coordinators and their telephone numbers is provided in Part III.

**PART I:
FOLLOWING THE LEGISLATIVE
AND FISCAL NOTES PROCESSES**

BASIC STEPS IN THE TEXAS LEGISLATIVE PROCESS

This diagram displays the sequential flow of a bill from the time it is introduced in the House of Representatives to final passage and transmittal to the Governor. A bill introduced in the Senate would follow a similar procedure in reverse.



STAGES OF A BILL

A fiscal note is required for a bill before it can be considered in a House committee or before it can be voted out of a Senate committee. A new fiscal note is prepared for each version of a bill, unless there are no changes from one version to the next.

INTRODUCED/FILED

This is the version that is introduced to the legislature and referred to committee before any other actions occur.

AS AMENDED

This is an amended version of the introduced bill. The amendments are attached on a separate sheet. If the amendments are incorporated into the bill text, the bill will be designated as a committee substitute.

COMMITTEE SUBSTITUTE

This is a replacement for the introduced version and is distinguished with the prefix “CS” placed directly before the normal prefix. For example, “CSHB5” would designate the Committee Substitute for House Bill 5.

COMMITTEE REPORT

In addition to the fiscal note, the committee report includes a record of the committee’s vote on the bill, the text of the bill as reported by the committee, a detailed bill analysis, an impact statement (if required), and other attachments as necessary.

FLOOR AMENDMENTS

These are amendments made on the floor of the originating chamber (House amendments for House bills, Senate amendments for Senate bills) and generally can be obtained most quickly from the House or Senate journal, respectively.

ENGROSSED

This version incorporates all changes made to the proposed legislation when it is passed by the chamber in which it originated. The clerk should examine the floor amendments to determine if the engrossed version differs from the version reported out of committee, because the amendments are incorporated into the bill text, and request an updated fiscal note.

AS AMENDED, SECOND HOUSE

This is a version of the bill as engrossed by the first chamber, amended in committee in the second house. The amendments are attached on a separate sheet. If the amendments are incorporated into the bill text, the bill will be designated as a committee substitute.

COMMITTEE SUBSTITUTE, SECOND HOUSE

This is a replacement of the bill as engrossed by the first chamber and is distinguished with the prefix “CS” placed directly before the normal prefix. For example, “CSHB5” would designate the Committee Substitute for House Bill 5.

COMMITTEE REPORT, SECOND HOUSE

In addition to the fiscal note, committee voting report, attached amendments (if any), and bill analysis, the committee report includes the bill as reported out of the committee in the second chamber. This may be the engrossed version, a completely new version (Committee Substitute), or an amended version of the engrossed version.

FLOOR AMENDMENTS, SECOND HOUSE

“As Passed Second House.” These are amendments adopted on the floor of the second chamber and can be obtained from the chamber’s journal or the Texas Legislature Online (TLO) website. It is necessary to examine the floor amendments to determine if they change the fiscal implication from the version reported out of committee, second house, because the amendments are incorporated into the bill text.

CONFERENCE COMMITTEE REPORT

When the originating chamber refuses to concur with amendments made by the second chamber, a conference committee is formed to resolve the differences. When and if differences are resolved, a conference committee report incorporating the changes made by the committee is printed.

Under Senate rules, if a bill is sent to a conference committee, the chair of the Senate conferees must request an updated fiscal note unless the report is the engrossed text of either the House or Senate version to which a fiscal note is already attached. The fiscal note is required before adoption of the committee report by the full Senate.

House rules require that a fiscal note on a conference committee report must be submitted to the chief clerk in the House before adoption.

FISCAL NOTES RULES AND REQUIREMENTS

FISCAL NOTE DEFINITION

A fiscal note is a written estimate of the costs, savings, revenue gain, or revenue loss that may result from implementation of a bill or joint resolution. It serves as a tool to help legislators better understand how a bill might impact the state budget as a whole, individual agencies, and in some instances, local governments. The Legislative Budget Board (LBB) does not prepare fiscal notes for simple or concurrent resolutions.

LEGAL BASIS, RULES, AND REQUIREMENTS

The LBB is directed by Section 314.001 of the Texas Government Code, as enacted by the Sixty-third Legislature, Regular Session, 1973 to establish a system of fiscal notes identifying the probable impact of each bill or resolution that authorizes or requires the expenditure or diversion of any state funds for any purpose other than those provided for in the general appropriations bill.

The statute requires that the fiscal impact be projected for the five-year period that begins on the effective date of the bill or resolution and shall state whether or not the impact will continue thereafter. The director of the LBB may choose to project the fiscal impact beyond the five-year period. In addition to the estimate, the fiscal note identifies the portions of the bill that would create the fiscal impact.

The statute also requires a fiscal note for any bill or joint resolution that would have statewide impact on all units of government of the same type or class, such as all cities or all counties. For example, a bill that would authorize or require the expenditure of local funds or propose an increase, decrease, or new local tax, fee, license charge or penalty would require a fiscal note.

HOUSE RULES

House rules require that any bill or joint resolution that authorizes or requires the expenditure or diversion of any state funds for any purpose, or that has a statewide impact on units of local government of the same type or class and that authorizes or diverts local funds or fees, must have attached a fiscal note signed by the director of the Legislative Budget Board. Under House rules, a fiscal note, when required, must be distributed to committee members before a bill is laid out before a committee.

EXCERPTS FROM HOUSE RULES RELATING TO FISCAL NOTES RULE 4, SECTION 33. FISCAL NOTES

- (a) If the chair of a standing committee determines that a bill or joint resolution, other than the general appropriations bill, authorizes or requires the

expenditure or diversion of state funds for any purpose, the chair shall send a copy of the measure to the Legislative Budget Board for the preparation of a fiscal note outlining the fiscal implications and probable cost of the measure.

- (b) If the chair of a standing committee determines that a bill or joint resolution has statewide impact on units of local government of the same type or class and authorizes or requires the expenditure or diversion of local funds, or creates or impacts a local tax, fee, license charge, or penalty, the chair shall send a copy of the measure to the Legislative Budget Board for the preparation of a fiscal note outlining the fiscal implications and probable cost of the measure.
- (c) In preparing a fiscal note, the director of the Legislative Budget Board may utilize information or data supplied by any person, agency, organization, or governmental unit that the director deems reliable. If the director determines that the fiscal implications of the measure cannot be ascertained, the director shall so state in the fiscal note, in which case the fiscal note shall be in full compliance with the rules. If the director of the Legislative Budget Board is unable to acquire or develop sufficient information to prepare the fiscal note within 15 days of receiving the measure from the chair of a committee, the director shall so state in the fiscal note, in which case the note shall be in full compliance with the rules.
- (d) If the chair determines that a fiscal note is required, copies of the fiscal note must be distributed to the members of the committee not later than the first time the measure is laid out in a committee meeting. The fiscal note shall be attached to the measure on first printing. If the measure is amended by the committee so as to alter its fiscal implications, the chair shall obtain an updated fiscal note, which shall also be attached to the measure on first printing.
- (e) All fiscal notes shall remain with the measure throughout the entire legislative process, including submission to the governor.

EXPLANATORY NOTES (PART OF RULES)

It is current practice that a senate fiscal note may be used by a house committee for a senate measure if the measure has not been amended since the preparation of that fiscal note. If the measure has been amended since the senate fiscal note

FISCAL NOTES RULES AND REQUIREMENTS

was prepared, the chair of the house committee should request a new fiscal note from the Legislative Budget Board.

RULE 4 SECTION 32 (b) (5)

- (b) All committee reports must be in writing and shall:
 - (5) indicate whether a copy of a bill or resolution was forwarded to the Legislative Budget Board for preparation of a fiscal note or other impact statement, if applicable.

RULE 12 SECTION 1 (a) (1) (E)

Section 1. Printings Of Bills And Joint Resolutions —

- (a) Except as otherwise provided in this rule, all bills and joint resolutions shall be printed and a copy provided to each member at each of the following stages in the parliamentary progress of the bill or joint resolution:
 - (1) at the time of the committee report on the bill or joint resolution, which shall be known as “First Printing” and which shall consist of: (E) a copy of the latest fiscal note.

RULE 2 SECTION 1 (a) (16)

- (a) The chief clerk shall also: (16) request fiscal notes on house bills and joint resolutions with senate amendments and distribute fiscal notes on house bills and joint resolutions with senate amendments and conference committee reports as required by Rule 13, Sections 5 and 10.

RULE 13 SECTION 5 (b)

- (b) When a house bill or joint resolution, other than the general appropriations bill, with senate amendments is returned to the house, the chief clerk shall request the Legislative Budget Board to prepare a fiscal note outlining the fiscal implications and probable cost of the measure as impacted by the senate amendments. A copy of the fiscal note shall be made available to each member before any action can be taken on the senate amendments by the house.

RULE 13 SECTION 10 (c)

- (c) Before action can be taken by the house on a conference committee report on a bill or joint resolution, other than the general appropriations bill, a fiscal note outlining the fiscal implications and probable cost of the conference committee report shall be submitted to the chief clerk, and a copy of the fiscal note shall be made available to each member.

FISCAL NOTES RULES AND REQUIREMENTS

SENATE RULES

Senate rules require fiscal notes for all bills and joint resolutions. Senate rules allow a bill to be heard without a fiscal note; however, the fiscal note must be distributed before a final vote on the measure can be taken.

EXCERPTS FROM SENATE RULES

RELATING TO FISCAL NOTES

RULE 7.09 (b-h) FISCAL NOTES

- (b) Prior to a final vote by a committee to report any bill or joint resolution, except the general appropriations bill, there shall be attached a fiscal note signed by the director of the Legislative Budget Board.
- (c) If a bill or joint resolution is amended by a committee, the committee chair shall obtain an updated fiscal note. The chair may require that the updated fiscal note be distributed to the committee members prior to the final vote to report the measure.
- (d) Prior to a motion to concur in House amendments, an updated fiscal note shall be distributed to all members if the director of the Legislative Budget Board determines that a House floor amendment has altered the policy implications of the bill or resolution, except the general appropriations bill.
- (e) An updated fiscal note shall be distributed to all members prior to a motion to adopt a conference committee report on any bill or joint resolution, other than the general appropriations bill; provided that an updated fiscal note is not required on a conference committee report if the text of the report is the engrossed text of either the House or Senate version and the report has attached a fiscal note outlining the fiscal implications of that version of the measure.
- (f) A fiscal note for a bill or joint resolution which authorizes or requires the expenditure or diversion of any state funds for any purpose shall estimate the fiscal implications and probable cost of the measure each year for the first five years after the implementation of its provisions and state whether there will be a cost involved thereafter. The fiscal note shall include the number of additional employees considered in arriving at the probable cost.
- (g) A fiscal note for any bill or joint resolution which imposes, increases, decreases, or repeals any state tax or fee shall estimate the fiscal implications of the measure for the first five years after the implementation of its provisions and state whether there will be fiscal

implications thereafter. The committee chair to which the bill or resolution was referred may request the director of the Legislative Budget Board to include with the fiscal note a tax equity note estimating the general effects of the proposal on the distribution of tax and fee burdens among individuals and businesses.

- (h) A fiscal note for any bill or joint resolution which has impact on units of local government of the same type or class shall estimate the fiscal implications and probable cost of the measure to the affected unit or units of local government each year for the first five years after the implementation of its provisions and state whether there will be a cost involved thereafter. As used in this rule, “unit of local government” means county, city, town, school district, conservation district, hospital district, or any other political subdivision or special district.

RULE 7.09 (q-t)

- (q) In preparing a fiscal note or an impact statement, the director of the Legislative Budget Board may use information or data supplied by any person, agency, organization, or governmental unit that the director deems reliable. The director shall state the sources of information or data used and may state the extent to which the director relied on the information or data in preparing the fiscal note or impact statement. If the director is unable to acquire or develop sufficient information to prepare a fiscal note within 15 days after receiving a bill or joint resolution, the director shall prepare the fiscal note stating that fact, and the fiscal note shall be in full compliance with the rules. If the director determines that the fiscal or other implications of a bill or joint resolution cannot be ascertained, the director shall prepare the fiscal note stating that fact, and the fiscal note shall be in full compliance with the rules.
- (r) The director of the Legislative Budget Board shall forward a copy of each fiscal note or impact statement to the author or sponsor of the affected bill or joint resolution.
- (s) All fiscal notes and impact statements shall be signed by the director of the Legislative Budget Board and shall remain with the measure throughout the entire legislative process, including submission to the Governor.

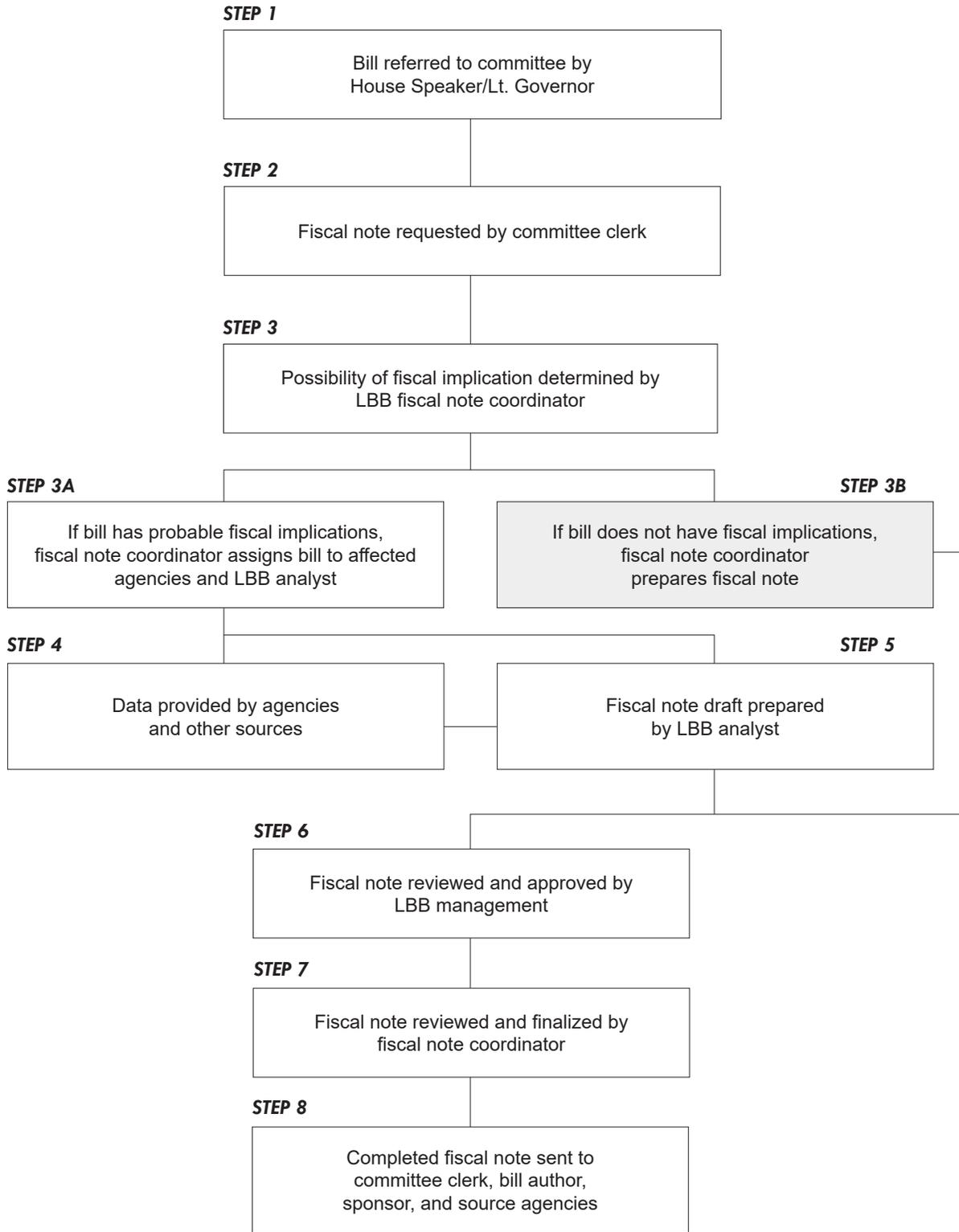
FISCAL NOTES RULES AND REQUIREMENTS

- (t) For any statement or analysis required by this rule, the Senate Committee on Administration may adopt such necessary forms and procedures as are required to ensure that all members of the Senate are informed as to the impact of proposed legislation on the state or other unit of government. The committee may authorize the director of the Legislative Budget Board to develop the format for fiscal notes and impact statements and submit the suggested forms to the committee for its approval.

RULE 7.12 (b) (5)

- (b) Every committee report printing on a bill or resolution shall include:
 - (5) any fiscal note on the bill or resolution, including any updated fiscal note required by Rule 7.09.

BASIC STEPS IN THE FISCAL NOTES PROCESS



BASIC STEPS IN THE FISCAL NOTES PROCESS

STEP 1

Bill is referred to committee by the house speaker or the lieutenant governor.

STEP 2

Soon after a bill is referred to committee, the committee clerk, acting on behalf of the committee chair, electronically requests a fiscal note from the LBB via the web-based fiscal note system. It is the committee's responsibility to request fiscal notes on any bill that meets the criteria specified in the House and Senate rules. Requests should be made as soon as possible after referral to ensure that LBB staff have sufficient time to produce an estimate.

Once a fiscal note request is made, the web-based fiscal note system routes the request to the LBB fiscal note coordinator assigned as liaison to the committee.

STEP 3

When a fiscal note request is received by the LBB, the fiscal note coordinator determines, with assistance from affected analysts, whether a bill would have fiscal implications.

STEP 3A

If the bill is likely to have fiscal implications, the coordinator assigns the request to affected agencies and the appropriate LBB analyst(s). An electronic copy of the bill, along with a request for assistance in making the cost estimate, is sent to each affected agency and LBB analyst via the LBB's web-based fiscal note system.

Note: Immediately prior to the start of the legislative session, the director of each state agency is asked to name an agency contact who will be responsible for receiving fiscal note requests from the LBB and providing timely responses. Each agency will be able to download *Guide to Fiscal Notes* from the LBB website.

STEP 3B

If it appears that the bill would have no fiscal implication (NFI), the process skips to Step 6.

STEP 4

Agencies respond to the LBB with a brief fiscal analysis of the bill, focusing on the anticipated changes in agency programs and/or operations that would be necessary if the bill were implemented. The agency reports to the LBB detailed explanation of both the bill's fiscal impact and the method of finance. Agency estimates exclude costs caused by inflation so that the fiscal implications resulting from proposed legislation can be more accurately identified.

Agency estimates include only direct impacts; secondary impacts are excluded from fiscal note estimates. For example, a provision that requires all young children to be immunized at a state cost of \$1 per child (the direct cost/fiscal implication) may possibly reduce future state expenditures on treatment for disease (a secondary fiscal implication). In this example, only the \$1 cost per immunization is included in the estimate.

STEP 5

The LBB analyst considers all information submitted by the affected agencies and other sources in producing an accurate estimate. A worksheet is completed and the analyst creates a draft fiscal note.

STEP 6

The draft fiscal note is reviewed by the analyst's manager for approval.

STEP 7

Once the draft fiscal note is approved it is sent to the coordinator to finalize, and then sent to the LBB director to approve; the rules provide that the LBB director is responsible for all fiscal note estimates. LBB estimates may agree or differ with information provided by state agencies.

STEP 8

Once a fiscal note is completed and approved by the Director, the fiscal note coordinator sends it electronically to the clerk of the committee that made the request, the author/sponsor of the bill, and source agencies.

In most instances, Steps 2 through 8 are repeated each time the bill is changed by a committee or on the floor of either chamber.

If the bill is amended or substituted in the committee to which it was initially referred, the committee clerk, acting on behalf of the committee chair, needs to request an updated fiscal note for the amended/substituted bill.

IMPACT STATEMENTS

In addition to the preparation of fiscal notes, House and Senate Rules direct the LBB to prepare several types of impact statements. Each statement provides specific information (described below) not contained in the corresponding fiscal note.

Under Senate rules, the director of the LBB determines whether an impact statement is required. Under House rules, the committee chair makes that determination. Other differences between the Senate and House rules are noted below.

- Updates to Fiscal Notes and Impact Statements.

Any time a bill is changed (amended, substituted, etc.), there is a requirement that the fiscal note be updated. If an impact statement was prepared for the introduced version of the bill, there is also a requirement that the impact statement be updated each time the bill is changed.

HOUSE AND SENATE IMPACT STATEMENTS

ACTUARIAL IMPACT STATEMENT

Provides estimates of proposed legislative changes in public pension funds. Prior to the Seventy-fourth Legislative Session, 1995, similar impact statements were prepared by the Pension Review Board. Subsequently, the LBB assumed ultimate responsibility for the production of these impact statements, although the Pension Review Board remains an important source of information.

- Requested by the House only if legislation would affect the financing, membership, or benefits of a pension plan.
- Prepared for Senate bills if the LBB determines the legislation would affect the financing, membership, or benefits of a pension plan.

CRIMINAL JUSTICE POLICY IMPACT STATEMENT

Provides estimates of proposed legislative changes in prison capacity. These impact statements are necessary if a bill changes sanctions applicable to adults convicted of felony crimes. Under Senate rules, these impact statements would also apply to juvenile justice bills.

- Requested by the House only if a provision of the bill would change sanctions applicable to adults convicted of a felony crime.
- Prepared for Senate bills if the LBB determines that the bill would change sanctions applicable to adults convicted of a felony crime or would apply to

juveniles who have been adjudicated for misdemeanor or felony conduct.

EQUALIZED EDUCATION FUNDING IMPACT STATEMENT

Provides an analysis of the equity implications associated with a proposed legislative change in state aid to school districts under the Foundation School Program.

- Requested by the House only if a bill proposes to change the school funding formulas.
- Prepared for Senate bills if the LBB determines the bill would change the school funding formulas.

HIGHER EDUCATION IMPACT STATEMENT

Provides an estimate of the implications resulting from creating or changing the classification, mission, or governance of an institution of higher education.

- The director of the LBB will request this only if a bill proposes to establish a new institution of higher education, open graduate programs at institutions that heretofore have been only undergraduate institutions, convert two-year colleges into four-year colleges, or move one institution from one university system to another.

(Only required by Senate Rules.)

OPEN GOVERNMENT IMPACT STATEMENT

Estimates the impact of proposed policy changes on public access to government information or to the transaction of public business.

- The director of the LBB will request this only if provisions of the bill would reduce public access to government records and meetings.

(Only required by Senate Rules.)

TAX/FEE EQUITY NOTES¹

Provides an analysis of how a proposed increase/decrease in taxes/fees affects taxpayers in the state. It calculates both the initial impact and the final impact.

- Requested only if a statewide tax or fee is affected. For House and Senate bills, the committee chair determines whether to request this.

¹Supplemental Information Regarding Economic Effects of Tax Changes is provided by the LBB upon request. These statements are prepared by the Comptroller of Public Accounts.

IMPACT STATEMENTS

WATER DEVELOPMENT POLICY IMPACT STATEMENT

Provides estimates of changes resulting from the creation of water districts under provisions of Article XVI, Section 59 of the Texas Constitution. The Water Development Board and the Texas Commission on Environmental Quality are an important source of information in preparing these documents.

- ▶ Requested only if a bill is affected by Article XVI, Section 59 of the Texas Constitution.

(Only required by House Rules; however, if a House bill is changed in the Senate and an impact statement had been created when the bill was in the House, the LBB should request an updated impact statement.)

FREQUENTLY ASKED QUESTIONS

Q. Who can request a fiscal note?

A. Under House rules, the committee chair is responsible for requesting a fiscal note, although the committee clerk, acting on behalf of the committee chair, usually carries out the actual request. Senate rules require fiscal notes for all bills; these are requested by committee clerks. There is no formal procedure in the rules for fiscal note requests other than those from a committee. An author or sponsor is not authorized to request a fiscal note unless he or she is the chair of the committee to which that bill is referred.

- ▶ See information under Conference Committee Report subheading on pages 3 and 4 of this document for special provisions relating to requesting a fiscal note for a conference committee report.

Q. Can a fiscal note be requested on bills not formally amended and substituted?

A. A fiscal note may only be requested at those points in the legislative process laid out in the House and Senate rules.

Under House rules, a committee chair requests a fiscal note on bills or joint resolutions which authorize or require the expenditure or diversion of any state funds for any purpose, or which have a statewide impact on units of local government of the same type or class and that authorize or divert local funds or fees. The committee chair requests an updated fiscal note if the legislation is amended in committee and may request a fiscal note on any Senate bill or joint resolution referred to a House committee.

Under Senate rules, fiscal notes are required for all bills (except the General Appropriations Bill) and joint resolutions prior to a final committee vote. The committee chair requests an updated fiscal note if the legislation is amended in committee. An updated fiscal note is also required prior to a motion to concur with House amendments if the director of the LBB determines that one is necessary.

Q. Does the LBB prepare fiscal notes on bills and resolutions?

A. The House and Senate rules require the LBB to prepare fiscal notes on bills and joint resolutions according to specified criteria. The LBB does not prepare fiscal notes on simple or concurrent resolutions. Exceptions did occur during the Eightieth Legislative Session, 2007: fiscal notes were requested for simple resolutions that authorized going outside the bounds on bills assigned to conference committee.

Q. What is the distinction between “No Fiscal Implication” (NFI) and “No Significant Fiscal Implication (NSFI)”?

A. The term “No Fiscal Implication” (NFI) means that implementing the provisions of the bill will not require any additional resources from the state, nor will there be any state revenue impact.

“No Significant Fiscal Implication” (NSFI) means that the change in resources necessary to implement a program is insignificant relative to the budget of an affected agency and could be reasonably absorbed within an agency’s current appropriation level.

Q. If a bill does not appropriate funds, why is there an impact?

A. The fiscal note provides cost and revenue information. The Senate Finance Committee or House Committee on Appropriations determines, subject to approval through the legislative process, how much of the cost indicated on the fiscal note should be funded, if any.

- ▶ A bill not appropriating money for implementation does not prevent the fiscal note from reflecting the full costs associated with the bill.
- ▶ Bill language limiting expenditures to amounts appropriated does not eliminate costs on a fiscal note.

The estimated cost of a program is distinct from the amount appropriated through the legislative process. The fiscal note is not binding on the appropriation process.

Q. Is there an impact if a bill authorizes but does not require a program to be implemented?

A. This question often arises when bill language states that a program “may be implemented” instead of “shall be implemented.”

- ▶ For estimates of impact to the state, the LBB treats “may” and “shall” in the same way: it is assumed the program would be implemented. This serves two purposes:
 1. It provides the legislature with information regarding the potential costs of the proposed legislation.
 2. It provides a specific dollar amount that the legislature can use when deciding how much, if any, of the program costs to fund through the appropriation process.

FREQUENTLY ASKED QUESTIONS

- For estimates of impact to local government, the LBB does not make an assumption regarding the number of units of local government that would choose to implement an optional program. In these instances, the LBB provides an example of the impact that might occur to units of local government.

Q. If an agency resubmits information regarding a bill's impact, is the LBB obligated to use the latest information?

A. No, the LBB uses the information it believes to be most accurate and reliable. If an agency resubmits information that differs substantially from that agency's original submission, the LBB will evaluate that information and use whichever submission is determined to be most accurate and reliable. The LBB is not obligated to use agency estimates of costs, impacts, caseloads, etc.

Q. Do fiscal notes reflect costs to state funds only, or do they reflect costs to the Texas economy as a whole?

A. Fiscal note estimates only address the direct effect a bill would have on state government expenditures or revenues.

- Provisions of a bill that potentially could reduce future state expenditures or that might have an effect on the current Texas economy (e.g., jobs created, lowering the number of Texans who are unemployed) are considered secondary fiscal implications.
- Secondary fiscal implications are not included in fiscal note estimates.

Q. What is the baseline for preparing fiscal note estimates?

A. Fiscal note estimates are based on law in effect at the time the estimates are produced, and on the Comptroller's Biennial Revenue Estimate (BRE) released at the beginning of the legislative session. The fiscal note estimates assume that no changes will be made to law other than those resulting from the bill's implementation. They further assume that the BRE will remain unchanged.

For example, if a sales tax exemption for certain businesses was set to expire during the upcoming biennium, the BRE for the upcoming biennium would include the additional sales tax revenue that would result from the expiration of the tax exemption. If a bill were to extend the sales tax exemption, sales tax revenue would be less than the amount included in the BRE. Therefore, even though the bill would allow taxpayers to continue to receive the same tax exemption, the baseline for the fiscal note estimate is based on revenue that would have been collected if the bill's provisions were not

implemented. Thus, the fiscal note estimate in this example would reflect a revenue loss.

Q. How do fiscal notes and the appropriation process go together?

A. The fiscal note is a statement of a bill's potential fiscal impact. A bill provides the legal basis for certain actions to take place, but generally does not appropriate funds to implement its provisions. If a bill does not specifically appropriate funds, but would require an appropriation in order to implement its provisions, it is the responsibility of the bill author to bring the legislation before the House Committee on Appropriations or the Senate Finance Committee to seek funding. The fiscal note attempts to assist in this process. The House Committee on Appropriations, Senate Finance Committee, or Conference Committee may choose to fund the legislation at the level estimated on the fiscal note or at an alternate level, or may choose not to fund the bill at all.

- The appropriation of funds by bill language or a contingency rider in the appropriations bill does not define the amount of cost included in the fiscal note estimate. For example, the fiscal note on a bill appropriating \$200,000 to implement a program that is estimated to cost \$500,000 would still indicate \$500,000 in costs. The fiscal note would recognize that \$200,000 was appropriated; however, funding of the program would require an additional \$300,000.
- A bill not appropriating funds for implementation does not prevent the fiscal note from reflecting the full costs associated with the bill.

Q. How are fiscal notes distributed?

A. Fiscal notes are delivered directly to the requesting committee's chair or clerk. This is usually accomplished via the LBB's web-based fiscal note system, however, if a fiscal note is completed close to the deadlines specified in the rules,² the LBB will hand-deliver a hard copy of the fiscal note to the committee. An electronic copy of the fiscal note will also be forwarded to the author and sponsor of the bill or resolution and to source agencies.

²Under current House rules, a fiscal note must be distributed before a committee may hear a bill. Under current Senate rules, a fiscal note must be attached to a bill before a final vote on the measure. Rules are subject to change.

FREQUENTLY ASKED QUESTIONS

Q. How can I get a copy of a fiscal note that is not yet published on the web?

A. A copy of the fiscal note is not available until the bill is heard in committee. Request the fiscal note from the committee staff or author/sponsor of the bill.

COMMONLY USED FISCAL NOTE TERMS

ACCOUNT

A special accounting entity within the General Revenue Fund that keeps a separate and distinct balance at the end of each fiscal year.

- ▶ An account is not a fund (see “Dedicated Funds” and “Funds”).

ACT

A bill passed by the legislature, signed by the governor, and recorded with the Secretary of State.

APPROPRIATED

Refers to the dollars or associated full-time equivalent (FTE) staff positions authorized for specific fiscal years and to the provisions for spending authority.

ARTICLE

A major division of a bill.

BIANNUAL

Occurring twice a year.

BIENNIAL

Occurring every two years.

BIENNIUM

The two-year period beginning on September 1 and ending on August 31 of odd-numbered years, for which Texas’ general state appropriations are made. A biennium is identified by the two fiscal years of which it consists (e.g., 2016–17 biennium).

BILL

A proposed new law or amendment to existing law that is introduced for legislative consideration. A bill that is enrolled by the legislature and not vetoed by the governor becomes law on the bill’s effective date.

BUDGETED

Refers to the planned level of expenditures, performance, or number of staff positions for a particular year.

DEDICATED FUNDS

Revenue sources or comptroller-designated funds restricted for specific purposes. These include both constitutionally and statutorily dedicated funds.

- ▶ “Accounts” are often mistakenly referred to as “Funds.”

ENGROSSED

A bill that has been passed by the chamber of the legislature in which the bill was originally filed.

ENROLLED

A bill that has been passed by both chambers of the legislature. After enrollment, a bill is sent to the governor for signature or veto.

FISCAL YEAR (FY)

September 1 through August 31 and is specified by the calendar year in which the fiscal year ends (e.g., September 1, 2017 through August 31, 2018 is fiscal year 2018).

- ▶ The federal fiscal year is October 1 through September 30.

FULL-TIME EQUIVALENT (FTE)

Unit of measure that represents the monthly average number of state employees working 40 hours a week.

FUND

A constitutionally or statutorily authorized repository of revenue that is used for financing appropriations and that consists of either an independent fiscal entity with a self-balancing set of accounts (e.g., State Highway Fund) or a category of revenues or receipts (e.g., federal funds).

GENERAL REVENUE FUND

The fund (No. 001) that receives state tax revenues and fees available for general spending purposes and is certified as such by the Comptroller of Public Accounts.

GENERAL REVENUE–DEDICATED FUNDS

Accounts whose balances are counted as General Revenue by the Comptroller of Public Accounts for certification of the state budget but must be used for the purposes identified in general law to the extent such funds are appropriated in the General Appropriations Act.

GENERAL REVENUE-RELATED FUNDS

The General Revenue Fund (No. 001), Available School Fund (No. 002), State Textbook Fund (No. 003), and Foundation School Fund (No. 193). Also included are the hotel tax transfers to the Texas Economic Development and Tourism Division of the Office of the Governor and the sporting goods sales tax transfers to Parks and Wildlife Department.

- ▶ This narrow definition applies for fiscal note purposes only.

NO FISCAL IMPLICATION (NFI)

When stated on a fiscal note, means that implementing the provisions of the bill would not require any additional

COMMONLY USED FISCAL NOTE TERMS

resources from the state, nor would there be any state revenue impact.

NO SIGNIFICANT FISCAL IMPLICATION (NSFI)

When stated on a fiscal note, means that the change in resources necessary to implement a program is insignificant relative to the budget of the affected agency and could be reasonably absorbed within an agency's current appropriation level.

SPECIAL FUNDS

Non-General Revenue Funds that have retained their revenue dedication.

STATUTE

A law enacted by the legislature and generally codified in government codes with other legislation on the same subject.

DOCUMENT ABBREVIATIONS

FN – Fiscal Note

Act – Actuarial Impact Statement

CJ – Criminal Justice Impact Statement

EEFIS – Equalized Education Funding Impact Statement

HEd – Higher Education Impact Statement

Open – Open Records Impact Statement

Supp – Supplemental Information Regarding Economic Effects of Tax Changes

Tax – Tax/Fee Equity Note

WDev – Water Development Policy Impact Statement

PART II:
INSTRUCTIONS FOR STATE AGENCIES

STATE AGENCIES: BEFORE PREPARING A FISCAL ESTIMATE

READING THE BILL

Make sure you are reading the correct version of the bill. Read the entire bill, making note of new language, deleted language, changed wording, references to various government codes and statutes, effective dates, temporary provisions, changes in taxes and fees (including accelerated or delayed collection time frames), repeals of existing law, and any other elements of the bill that may have a fiscal impact. Check to see if the bill is a Sunset bill, dedicates funds, consolidates funds, or would make an appropriation (usually a bill does not make an appropriation, but might provide a legal basis for an appropriation to seek additional appropriations.)

Read the chapters of current law that relate to the bill's provisions, comparing and contrasting existing and proposed law.

For additional information on how to read a bill, see "Reading Statutes and Bills," published by the Texas legislative Council at <http://www.tlc.state.tx.us/pubslegref/readingabill.pdf>.

IDENTIFYING FISCAL ISSUES

To estimate the fiscal impact of a bill, you must determine what the bill would do, which parts of the bill would have a fiscal impact, and then make certain assumptions about how the bill would be implemented. These are some of the issues that might impact costs and revenues:

- How many full-time equivalent (FTE) positions and what types of positions would it take to implement and operate the program?
- Would costs/revenue be affected evenly over time? What factors might change costs/revenues from year to year (e.g., aging population, immigration, growing prison population, economies of scale, fewer babies, more competition)?
- Would there be one-time start-up costs?
- What would demand for the program be? Would the demand likely change over time? If so, what would cause that change? Would the change increase or decrease demand?
- How many people/entities would be subject to the program?
- Would there be a time lag before the program's full effects are felt?
- Would provisions of the bill raise additional revenue or save money?

- Would the agency be able to absorb any added workload requirements and expenditures?
- Would items like sales transactions, prices, utilization increase or decrease as a result of this bill?
- How many taxpayers, sales, insurance policies, or other data items would be affected by the tax, increased fee, new exemption, etc.?
- What would be the elasticity of demand for the good in question with respect to price? Would demand for the taxable item increase/decrease significantly if the tax applied to it is decreased/increased? For example, a significant increase in tuition may reduce enrollment at an open-enrollment community college to the extent that net revenues from tuition are actually less than before the tuition increase.
- Would there be an impact on matching fund and maintenance of level of effort requirements? For example, if a state reduced funding for Medicaid, it would find that the flow of federal dollars available to the state for Medicaid would be reduced by the federally determined federal/state match. A maintenance of level requirement may mean that if the state's contribution to a particular project falls below a certain level, all contributions from other sources, such as federal funds or foundation funds, may be automatically withdrawn.
- Would there be provisions for expansion, contraction, or termination of the program?
- Would there be reasons other than population growth that a program's costs/revenues would increase or decrease?

STATE AGENCIES: BEFORE PREPARING A FISCAL ESTIMATE

IMPORTANT AGENCY REMINDERS

Agency estimates should *exclude* costs due to inflation.

Agency estimates should only include direct impacts; secondary impacts are excluded from fiscal note estimates.

LBB estimates may agree or differ with information provided by state agencies.

If an agency resubmits information that differs substantially from its original submission, the LBB will evaluate that information and use whichever submission is determined to be most accurate and reliable.

The LBB is not obligated to use agency estimates of costs, impacts, caseloads, etc.

Amended bills and/or committee substitutes will be e-mailed to the affected agencies, or uploaded to the Fiscal Note System. For these bill versions, agencies need to respond with an estimate within 24 hours.

STATE AGENCIES: PREPARING A FISCAL ESTIMATE

The explanations on this page and the next provide guidance for what information should be included when preparing a fiscal estimate. Each subsection on these two pages discusses a section included on a fiscal estimate worksheet within the web-based fiscal notes system (FNS). Following these two pages are the instructions for how to use the FNS. The FNS instructions include illustrations of the FNS screens in which fiscal estimate information is to be entered.

BILL SUMMARY/FISCAL ANALYSIS

Include a brief statement about only the parts of the proposed legislation that would have fiscal implication to the state or units of local government as compared with the current law regardless of other legislation that has passed or is under consideration. Do not summarize parts of the bill that would not have a fiscal impact. Include the effective date stated in the legislation as the last sentence of the statement.

- ▶ Include a bill summary/fiscal analysis in the appropriate text box whether the fiscal estimate is created in a Paste-in Worksheet

FISCAL IMPACT

Provide an estimate of the fiscal impact the proposed legislation would have on the state. The estimate should cover a five-year period, beginning with the implementation date of the bill. The implementation date may differ from the effective date of the bill, and there may be different implementation dates for various parts of the bill that would have fiscal impact. Be sure to make note of that. Even if an implementation date is not in the first fiscal year after passage of the bill nor the same as the effective date, the estimate should cover the time from September 1 of the upcoming fiscal year to five years from implementation.

Specify each ARTICLE and/or SECTION of the bill that would have a fiscal impact and provide an estimate for each part identified. The possible types of fiscal implications are costs, savings, gains, and losses. Costs and savings represent a change in expenditures, whereas gains and losses represent a change in the state's revenue collections. Do not include costs that would result from inflation or secondary impacts. Estimated costs should reflect anticipated changes in outcomes, but not in prices. Costs should be compared to the current year budget amount shown in the Legislative Budget Estimates for the upcoming biennium.

If the bill would have fiscal impact, identify the affected funds and enter the estimated amounts separately for each fund. Use the fund number with the fund name. If the bill refers to

a fund that has been abolished through fund consolidation, note this in the bill summary.

State clearly if the bill authorizes the collection of fees, appropriates fees, whether the fees would recover costs, and if the funds are federal or earned federal funds. Do not net revenue and cost measures from the same fund—show each separately.

Include as part of the fiscal impact any change in the number of full-time-equivalent positions that would occur as a result of the proposed legislation.

Provide information about the cost of personnel services, which should match the number of positions listed in the FTE table and costs should match those entered for Total salaries and wages under Other Expenses.

Identify other expenses such as professional services, travel, rent, other operating expenses, and equipment. Indicate the method of financing for each fund.

The agency may include a statement that the fiscal impact would not be significant (could be absorbed using existing resources); however, the agency should provide the data upon which that assumption is made.

- ▶ Include Fiscal Impact summary information whether the fiscal estimate is created in a Paste-in Worksheet or a Worksheet with Detailed Tables. If the Worksheet with Detailed Tables is used, enter quantities/amounts in the appropriate tables.

METHODOLOGY

List key assumptions used to develop an estimate. The level of detail will increase with the complexity of the calculation. For some estimates, only one or two sentences may be necessary to explain the methodology. For estimates that are relatively more difficult to calculate, additional information about assumptions, data, methods, etc., should be provided.

In estimating cost, important assumptions frequently have to be made concerning agency policy. For instance, when a major program will be phased in, agency policy may be to use half of the first year for planning and to have full implementation occur in the second or third year after the implementation date. This policy must be stated.

- ▶ Include an explanation of Methodology whether the fiscal estimate is created in a Paste-in Worksheet or a Worksheet with Detailed Tables.

STATE AGENCIES: PREPARING A FISCAL ESTIMATE

TECHNOLOGY IMPACT

If proposed legislation is likely to create administrative costs, the portion of those costs attributable to an agency's technology budget.

- Include an explanation or statement regarding Technology Impact whether the fiscal estimate is created in a Paste-in Worksheet or a Worksheet with Detailed Tables.

LOCAL GOVERNMENT

Identify articles and sections of the bill that would have a fiscal impact on units of local government. Explain what actions local governments would have to take to implement provisions of the bill and provide estimates of the resulting costs or savings and increased or decreased revenue from state aid or local sources. Include a list of local government sources used for obtaining this fiscal impact information, if applicable.

Local Government Impact may be presented as text only. There are also standard local government fiscal impact statements available in the FNS.

- Include an explanation of Local Government Impact whether the fiscal estimate is created in a Paste-in Worksheet or a Worksheet with Detailed Tables.

INTRODUCTION TO THE FISCAL NOTES SYSTEM

These instructions are written for agency users of FNS. Experienced users may skip to the [FNS Quick Reference Guide](#) below. New users may read all of these instructions to understand the system and procedures.

CONTACTING THE FNS HELP DESK

The LBB supports an FNS pager that is monitored 24 hours a day, 7 days a week, during legislative sessions. To reach the pager, call 512-936-4033. An LBB staff member will call you back shortly.

The LBB responds to emails about FNS during normal work hours (Monday through Friday, 8 am to 5 pm). Send emails to LBB.Applications@lbb.state.tx.us.

FNS QUICK REFERENCE GUIDE

LOGGING IN

See page 23 or click [here](#).

WORKING ON FISCAL NOTE WORKSHEETS

See page 28 or click [here](#).

WORKING ON IMPACT STATEMENTS

See page 38 or click [this link](#).

SUBMITTING A FISCAL NOTE OR IMPACT STATEMENT

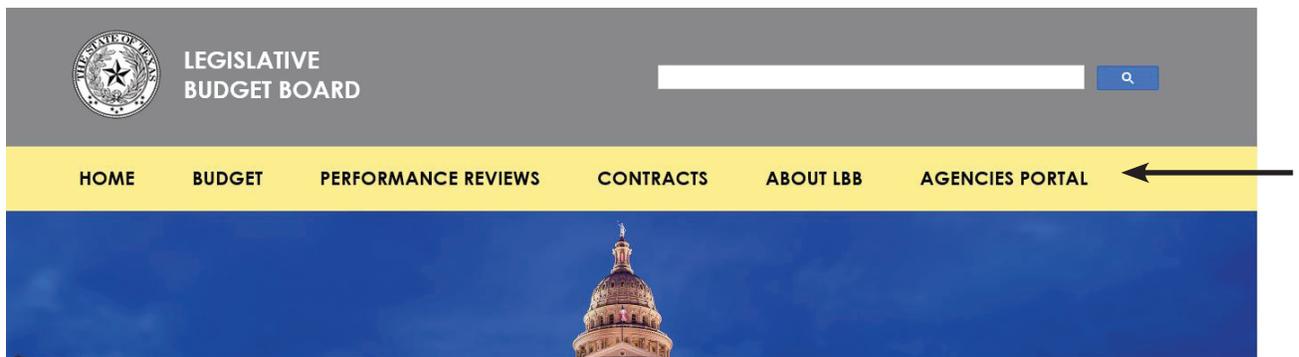
See page 39 or click [this link](#).

GETTING STARTED

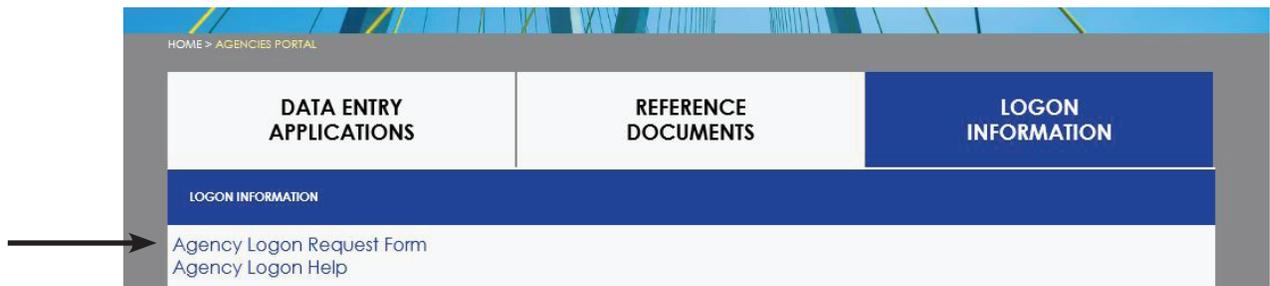
GETTING A USER ID AND PASSWORD

You must have a user ID and password to access FNS. Even if you have access to other LBB applications such as ABEST, you specifically need to request access to FNS to be able to log in.

To request a user ID and password to FNS, please go to the LBB's website, <http://www.lbb.state.tx.us> and click Agencies Portal Agency [Logon Request Form](#), as shown below.



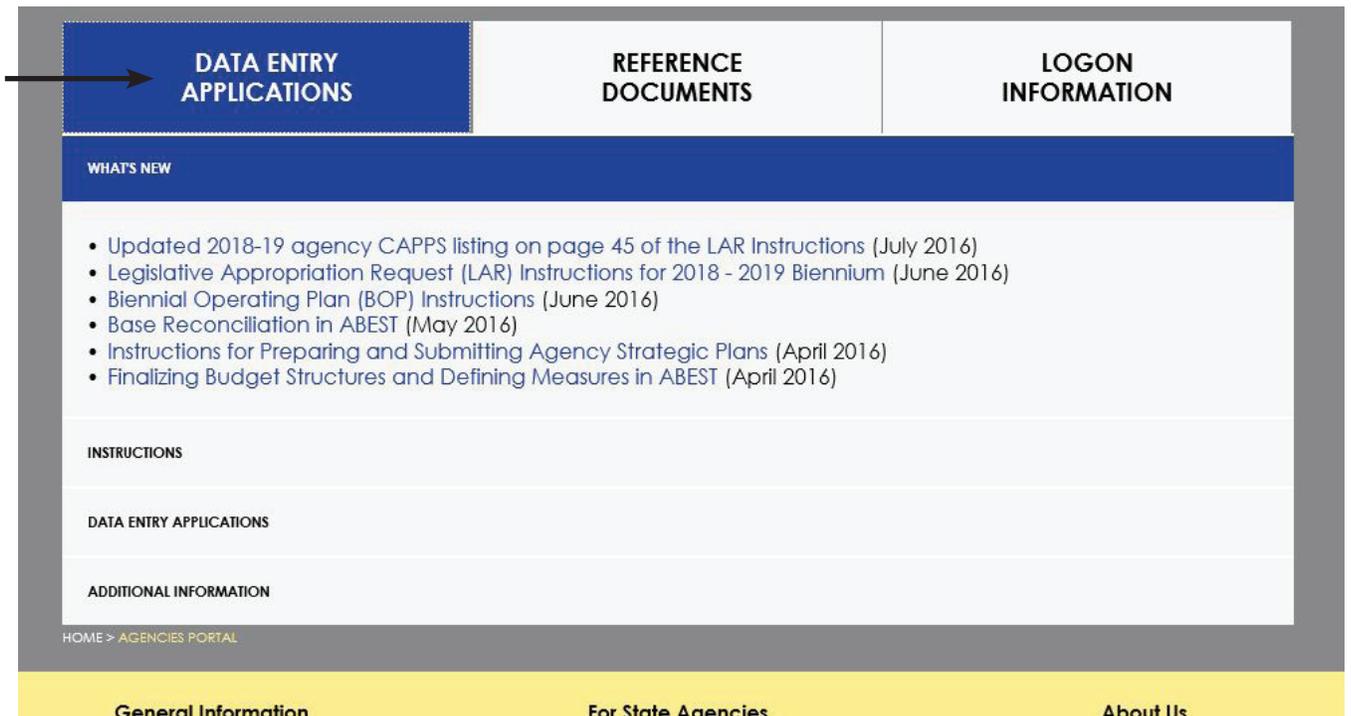
Click on Agencies Portal from the LBB main website.



Fill out the form. Note that you must provide a fax number for FNS access. Click **Submit**. You should receive your FNS user ID and password within one business day.

LOGGING IN

Once you have your FNS user ID and password, you may log in from the LBB’s website by clicking Agencies Portal and under Data Entry Applications and Fiscal Note System (FNS) as shown below.



The login screen appears, as shown below. Enter your username and password and click **Login**. Note that the FNS may not work with web browsers other than Internet Explorer.

FNS - Fiscal Notes System

Enter Login Information

Username:

Password:

➔

Login



System Requirements:

This application is supported in Internet Explorer Version 8 and greater. Other browsers can produce unpredictable results.

VIEWING THE NEWS SCREEN

The **News** screen is the first screen that appears after you log into FNS. The screen displays information that all agencies need to see. When you log in, check it for updates.

TEST **FNS - Fiscal Notes System**

Session: 85TH LEGISLATIVE REGULAR SESSIONAgency: 338 - Pension Review Board

NewsAgency BillsLBB Completed BillsMy Filter DefaultsHelpContact Us

Welcome to the Fiscal Notes System

FNS PAGER (monitored 24/7 during session): (512) 936-4033
Email (monitored during normal work hours): LBB.Applications@lbb.state.tx.us

The LBB will be holding a Fiscal Note Orientation for agency fiscal note coordinators on Monday, December 15 at 9:30 am at the Robert E. Johnson State Office Building conference center. This is our biennial get-together to discuss the fiscal note process for agencies and will give you a chance to meet the LBB Fiscal Note Coordinators that you will be working with.

VIEWING AGENCY BILLS

To view a list of your agency assignments, click the **Agency Bills** tab. By default, the screen lists all new and open fiscal note assignments for the current stage, as shown below. Exporting the list to Excel is now available.

TEST FNS - Fiscal Notes System

Session: 85TH LEGISLATIVE REGULAR SESSION Agency: 304 - Comptroller of Public Accounts

Filter Defaults Help Contact Us

Filters:

Chamber & Bill Type: (All) Version: (All) Request Type: (All)

Request Date: (All) Due Date: (All) Hearing Date: (All)

Status: (All) [Apply Filters](#)

Bill#: Version: (Current Version) Request Type: FN [Get Worksheet](#)

137 Agency Assignments that matches the selected criteria.

Number of Rows to Display 25 [Export 137 Rows to Excel](#)

Bill# ▲	Version	Rev.#	Request Type	Caption	Hearing Date	Due Date	Request Date	Status
				Relating to increasing the amount of the				

APPLYING A TEMPORARY FILTER

To change the listing, you may apply a temporary filter. For example, to see only your new assignments, change the option in the **Status** field to New, as shown below, and click **Apply Filters**. Only new assignments appear.

TEST FNS - Fiscal Notes System

Welcome, ATest01 Test [Log Out](#)

Session: 85TH LEGISLATIVE REGULAR SESSION Agency: 304 - Comptroller of Public Accounts

News Agency Bills LBB Completed Bills My Filter Defaults Help Contact Us

Filters:

Chamber & Bill Type: (All) Version: (All) Request Type: (All)

Request Date: (All) Due Date: (All) Hearing Date: (All)

Status: New [Apply Filters](#)

Bill#: Version: (Current Version) Request Type: FN [Get Worksheet](#)

7 Agency Assignments that matches the selected criteria.

Bill# ▲	Version	Rev.#	Request Type	Caption	Hearing Date	Due Date	Request Date	Status
HB4	Intro	0	Supp			8/14/2012 12:12 PM	8/21/2012 3:49 PM	New Copy
HB55	Intro	0	FN	Relating to an offense of using a wireless communication device while operating a motor vehicle.			6/20/2012 2:10 PM	New Copy
HB4807	Intro	0	FN	01678 Testing - Relating to the employment of an elections administrator.		8/14/2012 4:01 PM	8/15/2012 10:44 AM	New Copy
				01668 Testing - Relating to authority for				

When you apply filters on the **Agency Bills** tab, the filters remain in place only until you log out. When you log back in, the default filters override any filters you set on the **Agency Bills** tab. You may **change your filter defaults** to create longer lasting filters by selecting the “My Filter Defaults” tab (see page 28 for instructions).

VIEWING OR HIDING FILTERS

You may view or hide filters by clicking the small arrows in the upper right corner of the filters box, as shown below.

TEST FNS - Fiscal Notes System Welcome, ATest01 Test
Log Out

Session: 85TH LEGISLATIVE REGULAR SESSION Agency: 304 - Comptroller of Public Accounts

News Agency Bills LBB Completed Bills My Filter Defaults Help Contact Us

Filters:

Chamber & Bill Type: (All) Version: Intro Request Type: FN

Request Date: (All) Due Date: (All) Hearing Date: (All)

Status: Open & New Apply Filters

Bill#: Version: (Current Version) Request Type: FN Get Worksheet

4 Agency Assignments that matches the selected criteria.

Bill# ▲	Version	Rev.#	Request Type	Caption	Hearing Date	Due Date	Request Date	Status	
HB55	Intro	0	FN	Relating to an offense of using a wireless communication device while operating a motor vehicle.			6/20/2012 2:10 PM	New	Copy
HB4807	Intro	0	FN	01678 Testing - Relating to the employment of an elections administrator.		8/14/2012 4:01 PM	8/15/2012 10:44 AM	New	Copy
HB6006	Intro	0	FN	01668 Testing - Relating to authority for school districts to provide public notice by posting the notice on the district's Internet website.			8/20/2012 2:41 PM	New	Copy

SEARCHING FOR A BILL

Below the filters box is a search box. You may enter a bill number, select a version and request type, and click **Get Worksheet** to view a fiscal note or other request type, as shown below.

TEST FNS - Fiscal Notes System Welcome, ATest01 Test
Log Out

Session: 85TH LEGISLATIVE REGULAR SESSION Agency: 304 - Comptroller of Public Accounts

News Agency Bills LBB Completed Bills My Filter Defaults Help Contact Us

Bill#: HB55 Version: (Current Version) Request Type: FN Get Worksheet

The most current version of the worksheet appears in the window, as shown below. To view a previous version or different type of request, select from the drop-down lists and click **Get Worksheet**.

Click **Return to Summary** to return to the list of bills, as shown below.

*****TEST*** FNS - Fiscal Notes System**

Welcome, ATest01 Test
[Log Out](#)

Session: Agency:

[News](#) | **[Agency Bills](#)** | [LBB Completed Bills](#) | [My Filter Defaults](#) | [Help](#) | [Contact Us](#)

[Return To Summary](#) **Fiscal Note Cost Estimate for Bill#: HB55 As Introduced**

Caption:	Relating to an offense of using a wireless communication device while operating a motor vehicle.		
Request Date:	6/20/2012 2:10:00 PM	Hearing Date:	
Completion Date:		Status:	New
LBB Coordinator:	Scott Dudley , Contact#: 463-1903, Pager: 403-9182		
LBB Analyst:	Scott Dudley , Contact#: 463-1903, Pager: 403-9182		
Other Agencies Assigned To:	<ul style="list-style-type: none"> • 103 Legislative Council • 320 Texas Workforce Commission 		

SORTING THE BILL LISTING

To change the order in which bills are sorted, click a column header with underlining, as shown below. An arrow indicates which column is the sorting column and whether the sort order is ascending or descending.

*****TEST*** FNS - Fiscal Notes System**

Welcome, ATest01 Test
[Log Out](#)

Session: Agency:

[News](#) | **[Agency Bills](#)** | [LBB Completed Bills](#) | [My Filter Defaults](#) | [Help](#) | [Contact Us](#)

 Version: **Request Type:** [Get Worksheet](#)

7 Agency Assignments that matches the selected criteria.

<u>Bill#</u> ▼	<u>Version</u>	<u>Rev.#</u>	<u>Request Type</u>	<u>Caption</u>	<u>Hearing Date</u>	<u>Due Date</u>	<u>Request Date</u>	<u>Status</u>	
HB6006	Intro	0	FN	01668 Testing - Relating to authority for school districts to provide public notice by posting the notice on the district's Internet website.			8/20/2012 2:41 PM	New	Copy
HB4807	Intro	0	FN	01678 Testing - Relating to the employment of an elections administrator.		8/14/2012 4:01 PM	8/15/2012 10:44 AM	New	Copy

CHANGING MY FILTER DEFAULTS

To change your default filters to more permanent settings that apply each time you log into FNS, click the tab **My Filter Defaults**, as shown below.

The screenshot shows the 'My Filter Defaults' page in the FNS - Fiscal Notes System. The page title is 'atest01 - Default filter settings for Agency Code - 304'. The user is logged in as 'Welcome, ATest01 Test' and has a 'Log Out' button. The session is '85TH LEGISLATIVE REGULAR SESSION' and the agency is '304 - Comptroller of Public Accounts'. The navigation tabs are 'News', 'Agency Bills', 'LBB Completed Bills', 'My Filter Defaults', 'Help', and 'Contact Us'. The filter settings are as follows:

Chamber & Bill Type:	(All)
Version:	(All)
Request Type:	(All)
Request Date:	(All)
Due Date:	(All)
Hearing Date:	(All)
Status:	Open
Sort By:	Chamber & Bill Type
Sort Order:	<input checked="" type="radio"/> ASC <input type="radio"/> DESC

At the bottom of the filter settings is a 'Save My Filter Defaults' button.

Each filter has a drop-down list. Select the filters you want to be the defaults and click **Save My Filter Defaults**.

When you log into FNS and click either the **Agency Bills** or **LBB Completed Bills** tab, bills appear according to your current filter defaults.

WORKING ON FISCAL NOTE WORKSHEETS

To view a fiscal note worksheet for a bill, double click anywhere on the bill on the **Agency Bills** summary screen. The worksheet for the bill appears as shown below.

Note: If another user is working on a worksheet, a message appears below the bill number and above the caption stating “This bill is currently being edited by [user name]. Hence you can only view the data.” Worksheets and impact statements may only be worked on by one user at a time.

*****TEST*** FNS - Fiscal Notes System**

Welcome, ATest01 Test
[Log Out](#)

Session: Agency:

[News](#) |
 [Agency Bills](#) |
 [LBB Completed Bills](#) |
 [My Filter Defaults](#) |
 [Help](#) |
 [Contact Us](#)

[Return To Summary](#) **Fiscal Note Cost Estimate for Bill#: HB55 As Introduced**

Caption:	Relating to an offense of using a wireless communication device while operating a motor vehicle.		
Request Date:	6/20/2012 2:10:00 PM	Hearing Date:	
Completion Date:		Status:	New
LBB Coordinator:	Scott Dudley , Contact#: 463-1903 , Pager: 403-9182		
LBB Analyst:	Scott Dudley , Contact#: 463-1903 , Pager: 403-9182		
Other Agencies Assigned To:	<ul style="list-style-type: none"> • 103 Legislative Council • 320 Texas Workforce Commission 		
Agency Analyst:	<input type="text"/>	Format:	<input checked="" type="radio"/> Paste In <input type="radio"/> NFI <input type="radio"/> WorkSheets
			<input type="button" value="Save"/>

The heading indicates the bill number and version. If a due date has been set, it appears after the heading in red.

To view the actual text of the bill, click the blue caption link. The text opens in a separate window.

Click the blue LBB Coordinator or LBB Analyst name to open an email from you to them in your default email application.

The agency analyst should enter his or her name in that field, select a format (see below for descriptions), and click **Save**, as shown below.

Agency Analyst:	<input type="text" value="John Doe"/>	Format:	<input checked="" type="radio"/> Paste In <input type="radio"/> NFI <input type="radio"/> WorkSheets
			<input type="button" value="Save"/>

Note that each format allows you to click a checkbox that prints that section of the fiscal note on a new page.

CREATING A PASTE IN WORKSHEET

When you select the **Paste In** format and click **Save**, an area opens up below on the screen where you can paste copied text or enter new text, as shown below. Use the icons for formatting assistance.

Agency Analyst:	John Doe	Format:	<input type="radio"/> NFI <input type="radio"/> WorkSheets
			Save

Fiscal Note Cost Estimate for Bill#: HB55 As Introduced	
	<input type="button" value="Undo Changes"/> <input type="button" value="Save Cost Estimate"/>
Print Cost Estimate on New Page:	<input type="checkbox"/>
Cost Estimate:	<input type="button" value="Clear Cost Estimate"/>
Large empty text area for the cost estimate	

<input type="button" value="Return"/>	<input type="button" value="Submit to LBB"/>	<input type="button" value="Print Preview"/>	<input type="button" value="Print"/>
---------------------------------------	--	--	--------------------------------------

Text copied from Word or Excel should retain its formatting.

Click **Save Cost Estimate** to save your changes. Click **Reset** to discard all changes since the last save. Check the box to print cost estimate on a new page.

IMPORTANT: FNS times out after 30 minutes, and you will lose your unsaved data. Click **Save** frequently!

Clicking **Print Preview** at the bottom of the screen allows you to review the content as it will be seen by the LBB analyst on a new screen. Click **Return** on that screen to come back to this screen to make changes. Click **Print** to print your fiscal note.

CREATING A NO FISCAL IMPLICATION WORKSHEET

If a bill has no fiscal impact on the state, select NFI and click **Save** to open an NFI worksheet for state government, as shown below.

The screenshot shows a web-based interface for creating a No Fiscal Implication (NFI) worksheet. At the top, there is a header section with a table containing the following information:

Agency Analyst:	John Doe	Format:	<input type="radio"/> Paste In <input checked="" type="radio"/> NFI <input type="radio"/> WorkSheets
-----------------	----------	---------	--

Below the header, a red message states "Successfully Updated." and a "Save" button is visible.

The main content area is titled "State Government Details" and contains several sections:

- Print State Government on New Page:** A checkbox that is currently unchecked.
- Standard Statements:** A dropdown menu showing "No fiscal implication to the State is anticipated." with a "Replace State Gov. Comments with Standard Statement" button to its right.
- State Government Comments:** A text area containing the same standard statement, with a "Clear Comments" button to its right.
- A rich text editor toolbar with various icons for text formatting and editing.

At the bottom of the "State Government Details" section, there are two buttons: "Undo Changes" and "Save State Government Details".

Below the "State Government Details" section is a section titled "Local Government Impact Details".

At the very bottom of the interface, there are four buttons: "Return", "Submit to LBB", "Print Preview", and "Print".

“No fiscal implication to the State is anticipated” is the standard statement selected by default when you choose NFI.

You may enter or paste comments in the **State Government Comments** field, using the icons to help with formatting. Click **Save State Government Details** to save. Click **Reset** to discard all changes since the last save.

IMPORTANT: FNS times out after 30 minutes, and you will lose your unsaved data. Click **Save** frequently!

Click **Replace State Gov. Comments with Standard Statement** to change a saved statement.

If a bill has no fiscal impact on the state but may impact local government, click **Local Government Impact Details** to open a local government worksheet, as shown below. The local government worksheet operates the same as the state government worksheet described above.

State Government Details

Local Government Impact Details

Print Local Government Impact on New Page:

Standard Statements: No fiscal implication to units of local government is anticipated.

Local Government Impact Comments:

Clicking **Print Preview** at the bottom of the screen allows you to review the content as it will be seen by the LBB analyst on a new screen. Click **Return** on that screen to make changes. Click **Print** to print your fiscal note.

CREATING WORKSHEETS WITH DETAILED TABLES

To create a worksheet with detailed tables for a bill, select the format **Worksheets**, as shown below, and click **Save**.

Agency Analyst:	<input type="text"/>	Format:	<input type="radio"/> Paste In <input type="radio"/> NFI <input checked="" type="radio"/> WorkSheets
StartingYear:	<input type="text" value="2018"/>	Number of Years:	<input type="text" value="5"/>
			<input type="button" value="Save"/>

* indicates required field

SUMMARY

Bill Summary/Fiscal Analysis*

Print Bill Summary/Fiscal Analysis on New Page:

Bill Summary/Fiscal Analysis Comments:

Fiscal Impact

Methodology

Technology

Local Government Impact

Comments

Note that you may enter the starting fiscal year and the number of fiscal years to appear in the worksheet. The starting year may not be earlier than the current year; the default is the first year of the current biennium.

You may enter from 5 to 10 years on your worksheet. Five years is the minimum, unless the impact starts in the current fiscal year. Then you need to show the current fiscal year's impact plus five years into the future. You may add as many as 10 years when there is a major fiscal impact into the future.

When you click **Save**, a tabbed Summary appears, as shown above. Each tab is described below.

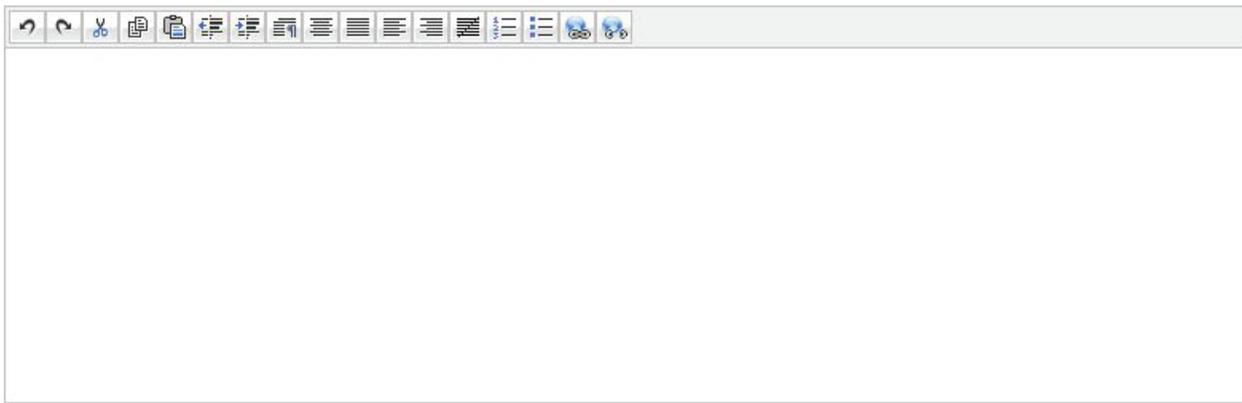
IMPORTANT: FNS times out after 30 minutes, and you will lose unsaved data. Click **Save** frequently while working on these tabbed sections!

ENTERING SECTION COMMENTS

Under the **Section Comments** tab, click the underlined sections to enter and save text comments of various types, as shown below.

The screenshot displays a web interface titled "SUMMARY" with a tabbed navigation system. The "Section Comments" tab is selected and highlighted. Below the tabs, the "Bill Summary/Fiscal Analysis" section is active, featuring a "Save Bill Summary/Fiscal Analysis Details" button. A checkbox labeled "Print Bill Summary/Fiscal Analysis on New Page:" is present. Below this, a text input field for "Bill Summary/Fiscal Analysis Comments:" is shown, accompanied by "Edit Comments" and "Clear Comments" buttons. A vertical list of underlined sections is visible: "Fiscal Impact", "Methodology", "Technology", "Local Government Impact", and "Comments".

For each selected section, click **Edit Comments** to open a window where you can enter and format comment text and save and return (or cancel changes and return), as shown below.



[Save & Return](#) [Cancel & Return](#)

Check the checkbox to print the selected section on a new page.
Click **Save Bill Summary/Fiscal Analysis Details** to save your details.

ENTERING PROJECTED TECHNOLOGY COST

Clicking the **Projected Technology Cost** tab opens a table for you to enter data for each year displayed, as shown below.

SUMMARY

Section Comments **Projected Technology Cost** Fiscal Implications FTEs Personnel Services Other Expenses Method of Financing

Print Projected Technology Cost on a separate page.

	2018	2019	2020	2021	2022
Technology Impact	<input type="text"/>				

[Save](#)

[Return](#) [Submit to LBB](#) [Print Preview](#) [Print](#)

Click the checkbox to print the section on a new page.

ENTERING FISCAL IMPLICATIONS

Click the **Fiscal Implications** tab to enter probable gains, losses, savings, and costs to the General Revenue fund and other funds that you may add, as shown below.

SUMMARY

Print Fiscal Implications on a separate page.

Summary of Fiscal Implications

	2018	2019	2020	2021	2022
1 - Probable Gain to General Revenue Fund	<input type="text"/>				
1 - Probable Loss to General Revenue Fund	<input type="text"/>				
1 - Probable Savings to General Revenue Fund	<input type="text"/>				
1 - Probable Cost to General Revenue Fund	<input type="text"/>				

Fiscal Implications

Impact To Fund:

Fund Description:

In the example above, 2 - Available School Fund was manually added. Note the up and down arrows for sequencing multiple added funds. To delete a fund that you have manually added, click the small red X at the right end of the row.

You may enter losses and costs without entering a minus sign or parenthesis. When you save, those numbers appear in red and in parentheses to denote negative amounts, as shown above.

Enter dollars as whole numbers, and you do not need to enter dollar signs or commas.

Click the checkbox to print the section on a new page.

ENTERING FTE CHANGES

Click the **FTEs** tab to enter the number of FTEs changed by the selected bill. Enter negative numbers either by preceding them with a hyphen/minus sign or putting them in parentheses. When you click **Save**, FNS displays negative numbers in parentheses in red type.

Note that FTEs may only show one decimal position.

SUMMARY

Print FTE's on a separate page.

FTEs (one decimal position ONLY)

	2018	2019	2020	2021	2022
FTEs	<input type="text"/>				

Click the checkbox to print this section on a new page.

ENTERING PERSONNEL SERVICES

Click the **Personnel Services** tab to enter position titles, number of positions, and costs for each year, as shown below.

SUMMARY

Print Personnel Services on separate page.

Cost to the State
Personnel Services

Salary Group	Position Title	FTEs Req	2018	2019	2020	2021	2022
		0	0	0	0	0	0
	Total (also reflected in Other Expenses)	0	0	0	0	0	0

Personnel Services:

First, select a position title from the Personnel Services drop-down list and click **Add**. The salary group and position title automatically appear in the table.

Enter the number of FTEs requested.

Enter the cost to the state for each year shown and click **Save**. Note that the amounts you enter here also appear on the next tab, **Other Expenses**, as Total Salaries and Wages.

Repeat if there are additional position titles to add.

Click the checkbox to print this section on a new page.

ENTERING OTHER EXPENSES

Click the **Other Expenses** tab to enter other expenses related to this bill, as shown below.

Note that benefits, which appear grayed out at the bottom of the table, are calculated automatically according to the stated formula.

Click **Save** to save your data.

SUMMARY

Print Other Expenses on separate page.

Other Expenses

	2018	2019	2020	2021	2022
Total salaries and wages (from Personnel Services Schedule)	0	0	0	0	0
Professional Services	<input type="text"/>				
Travel	<input type="text"/>				
Rent	<input type="text"/>				
Other operating expense	<input type="text"/>				
Equipment	<input type="text"/>				
Employee retirement, OASI & group ins. cost (35.12% of salary cost)	0	0	0	0	0
Agency Payroll Contribution cost (1.5% of salary cost)	0	0	0	0	0
Total	0	0	0	0	0

Click the checkbox to print this section on a new page.

ENTERING METHOD OF FINANCING DATA

Click the **Method of Financing** tab to enter amounts for each MOF code displayed, as shown below.

SUMMARY

Print Method of Financing on separate page.

Method of Financing

	2018	2019	2020	2021	2022
1 - General Revenue Fund	<input type="text"/>				
555 - Federal Funds	<input type="text"/>				
Total	0	0	0	0	0

Method of Financing:

The General Revenue and 555 Federal Funds MOFs appear by default. To add other MOFs, select from the drop-down list and click **Add**. Click **Save** to save your data.

Click the checkbox to print this section on a new page.

To view the entire note, click **Print Preview** below the Summary box.

WORKING ON IMPACT STATEMENTS

Several state agencies create special types of impact statements related to bills. These include:

- actuarial impact statements by the Pension Review Board
- supplemental information regarding economic effects of tax changes by the Comptroller of Public Accounts
- water development policy impact statements by the Water Development Board and Texas Commission on Environmental Quality

To find these statements, on the **Agency Bills** tab, click the filter for **Request Type**, and select the type, as shown below.

The screenshot shows the 'FNS - Fiscal Notes System' interface. At the top, it says '***TEST*** FNS - Fiscal Notes System' and 'Welcome, ATest01 Test' with a 'Log Out' button. Below this, there are session and agency dropdowns: 'Session: 85TH LEGISLATIVE REGULAR SESSION' and 'Agency: 304 - Comptroller of Public Accounts'. A navigation bar includes 'News', 'Agency Bills' (selected), 'LBB Completed Bills', 'My Filter Defaults', 'Help', and 'Contact Us'. A filter box is open, showing the following options: 'Chamber & Bill Type: (All)', 'Request Date: (All)', 'Status: Open & New', 'Version: (All)', 'Due Date: (All)', 'Request Type: Tax', 'Hearing Date: (All)', and 'Request Type: FN'. There are 'Apply Filters' and 'Get Worksheet' buttons.

A list of statements of the type selected appears below. Double-click on one to view it.

The screenshot shows the detailed view of a statement in the 'FNS - Fiscal Notes System'. At the top, it says '***TEST*** FNS - Fiscal Notes System' and 'Welcome, ATest01 Test' with a 'Log Out' button. Below this, there are session and agency dropdowns: 'Session: 85TH LEGISLATIVE REGULAR SESSION' and 'Agency: 304 - Comptroller of Public Accounts'. A navigation bar includes 'News', 'Agency Bills' (selected), 'LBB Completed Bills', 'My Filter Defaults', 'Help', and 'Contact Us'. The main content area shows a statement titled 'Supplemental Information Regarding Economic Effects of Tax Changes Cost Estimate for Bill#: hb4 As Introduced Due Date: 8/14/2012 12:12:00 PM'. Below the title is a table with the following information: 'Caption:', 'Request Date: 8/21/2012 3:49:00 PM', 'Hearing Date:', 'Completion Date:', 'Status: New', 'LBB Coordinator: Empty Placeholder, Contact#: 463-1200', 'LBB Analyst: TestAnalystA12 TestA12, Contact#: 463-1200', and 'Other Agencies Assigned To:'. Below the table is an 'Agency Analyst:' field with a text input box and a 'Save' button. At the bottom, there are 'Return', 'Submit to LBB', 'Print Preview', and 'Print' buttons.

Enter the agency analyst's name and click **Save** to open up a worksheet, as shown below.

Supplemental Information Regarding Economic Effects of Tax Changes Cost Estimate for Bill#: hb4 As Introduced

Print Cost Estimate on New Page:

The impact statement worksheet works exactly the same as a [paste in worksheet](#).

Click the checkbox to print this section on a new page.

SUBMITTING A FISCAL NOTE OR IMPACT STATEMENT

You must save your data and click **Print Preview** at the bottom of the screen before you can submit your fiscal note or impact statement to the LBB. Clicking **Print Preview** allows you to view your note or statement in a new window as it will appear to an LBB analyst. Click **Return** to make revisions.

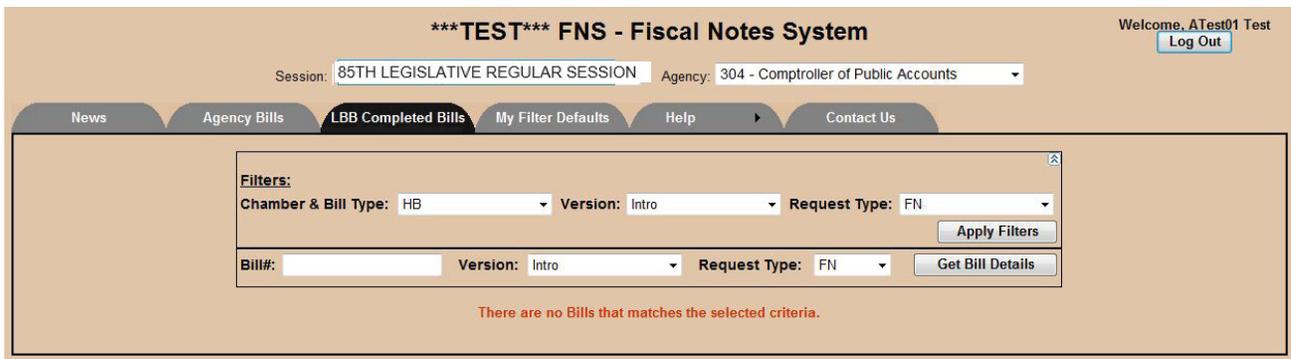
When you are satisfied with the contents and appearance of your note or statement, click **Print** to print a copy of the note or statement for yourself, if desired.

Click **Submit to LBB** to submit your note or statement to the Legislative Budget Board.

VIEWING LBB COMPLETED BILLS

The tab **LBB Completed Bills** allows agency users to view bills submitted to the LBB that have been completed by the LBB and posted. Completed bills are read-only and may not be revised.

You may [filter](#), [search](#), and [sort](#) as you did on the **Agency Bills** tab.



ACCESSING HELP

The **Help** tab provides you with access to the Guide to Fiscal Notes Instructions for Texas State Agencies (these instructions).

HOW TO CONTACT US

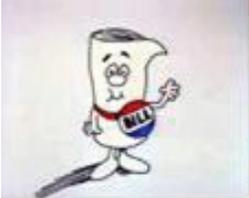
The **Contact Us** tab opens a small pop-up window with the LBB's contact information, as shown below. Click **OK** to close the window.

Phone Numbers

FNS Pager (512) 936-4033

Main (512) 463-1200

Fax (512) 475-2902



Email Contacts

[LBB Applications](mailto:LBB.Applications@lbb.state.tx.us) (LBB.Applications@lbb.state.tx.us)

[Webmaster](#)

If you click the **LBB Applications** link, your email application opens an email from you addressed to the LBB applications webmaster. This inbox is monitored Monday through Friday during normal business hours. For after-hours assistance, call the FNS pager for 24/7 assistance.

The **Webmaster** link opens an email from you to the LBB webmaster if you are having problems with the LBB's website.

**PART III:
LEGISLATIVE BUDGET BOARD
FISCAL NOTE COORDINATOR
COMMITTEE ASSIGNMENTS**

LBB COORDINATOR COMMITTEE ASSIGNMENTS

HOUSE COMMITTEES

COMMITTEE	FN COORDINATOR	PHONE
Administration	Kevin Kavanaugh	463-9205
Agriculture and Livestock	Scott Zaskoda	463-7793
Appropriations	Kevin Kavanaugh	463-9205
Business and Industry	Cindy Lopez	936-1604
Corrections	Fisher Reynolds	463-5630
County Affairs	Jesse Ancira	463-1030
Criminal Jurisprudence	Fisher Reynolds	463-5630
Culture, Recreation and Tourism	Scott Zaskoda	463-7793
Defense and Veterans' Affairs	Shan Lewis	463-1028
Economic and Small Business Development	Cindy Lopez	936-1604
Subcommittee on Small Business Development	Cindy Lopez	936-1604
Elections	Shan Lewis	463-1028
Energy Resources	Scott Zaskoda	463-7793
Environmental Regulation	Scott Zaskoda	463-7793
Government Transparency and Operation	Shan Lewis	463-1028
Higher Education	Tedd Holladay	463-9954
Subcommittee on Postsecondary Education and Workforce Readiness	Tedd Holladay	463-9954
Homeland Security and Public Safety	Fisher Reynolds	463-5630
Human Services	Karen Carlson	463-1177
Insurance	Alison Gilliam	463-2193
International Trade and Intergovernmental Affairs	Shan Lewis	463-1028
Investments and Financial Services	Cindy Lopez	936-1604
Subcommittee on State and Local Bonded Indebtedness	Cindy Lopez	936-1604
Judiciary and Civil Jurisprudence	Shan Lewis	463-1028
Juvenile Justice and Family Issues	Fisher Reynolds	463-5630
Land and Resource Management	Scott Zaskoda	463-7793
Licensing and Administrative Procedures	Cindy Lopez	936-1604
Natural Resources	Scott Zaskoda	463-7793
Subcommittee on Special Water Districts	Scott Zaskoda	463-7793
Pensions	Alison Gilliam	463-2193
Public Education	Tedd Holladay	463-9954
Subcommittee on Educator Quality	Tedd Holladay	463-9954
Public Health	Karen Carlson	463-1177
Redistricting	Shan Lewis	463-1028
Special Purpose Districts	Jesse Ancira	463-1030
State Affairs	Alison Gilliam	463-2193
Transportation	Alison Gilliam	463-2193
Subcommittee on Long-term Transportation Infrastructure Planning	Alison Gilliam	463-2193
Urban Affairs	Jesse Ancira	463-1030
Ways and Means	Kevin Kavanaugh	463-9205
Subcommittee on Property Taxation	Kevin Kavanaugh	463-9205
Select Committees		
Emerging Issues in Texas Law Enforcement	Fisher Reynolds	463-5630
State and Federal Power and Responsibility	Shan Lewis	463-1028

LBB COORDINATOR COMMITTEE ASSIGNMENTS

SENATE COMMITTEES

COMMITTEE	FN COORDINATOR	PHONE
Administration	Kevin Kavanaugh	463-9205
Agriculture, Water and Rural Affairs	Scott Zaskoda	463-7793
Business and Commerce	Cindy Lopez	936-1604
Criminal Justice	Fisher Reynolds	463-5630
Education	Tedd Holladay	463-9954
Finance	Kevin Kavanaugh	463-9205
Health and Human Services	Karen Carlson	463-1177
Higher Education	Tedd Holladay	463-9954
Intergovernmental Relations	Jesse Ancira	463-1030
Natural Resources and Economic Development	Scott Zaskoda	463-7793
State Affairs	Alison Gilliam	463-2193
Transportation	Alison Gilliam	463-2193
Veterans Affairs and Military Installations	Shan Lewis	463-1028
Subcommittee on Border Security	Shan Lewis	463-1028