

## 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**

**[WWW.LBB.TEXAS.GOV](http://WWW.LBB.TEXAS.GOV)**

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## INTRODUCTION

State statute and House and Senate rules require 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 a bill or joint resolution. It serves as a tool to help legislators better understand how a bill might affect the state budget, individual agencies, and in some instances, local governments. The Legislative Budget Board (LBB) does not prepare fiscal notes for simple or concurrent resolutions with the exception of House simple resolutions to go outside the bounds on bills assigned to conference committee.

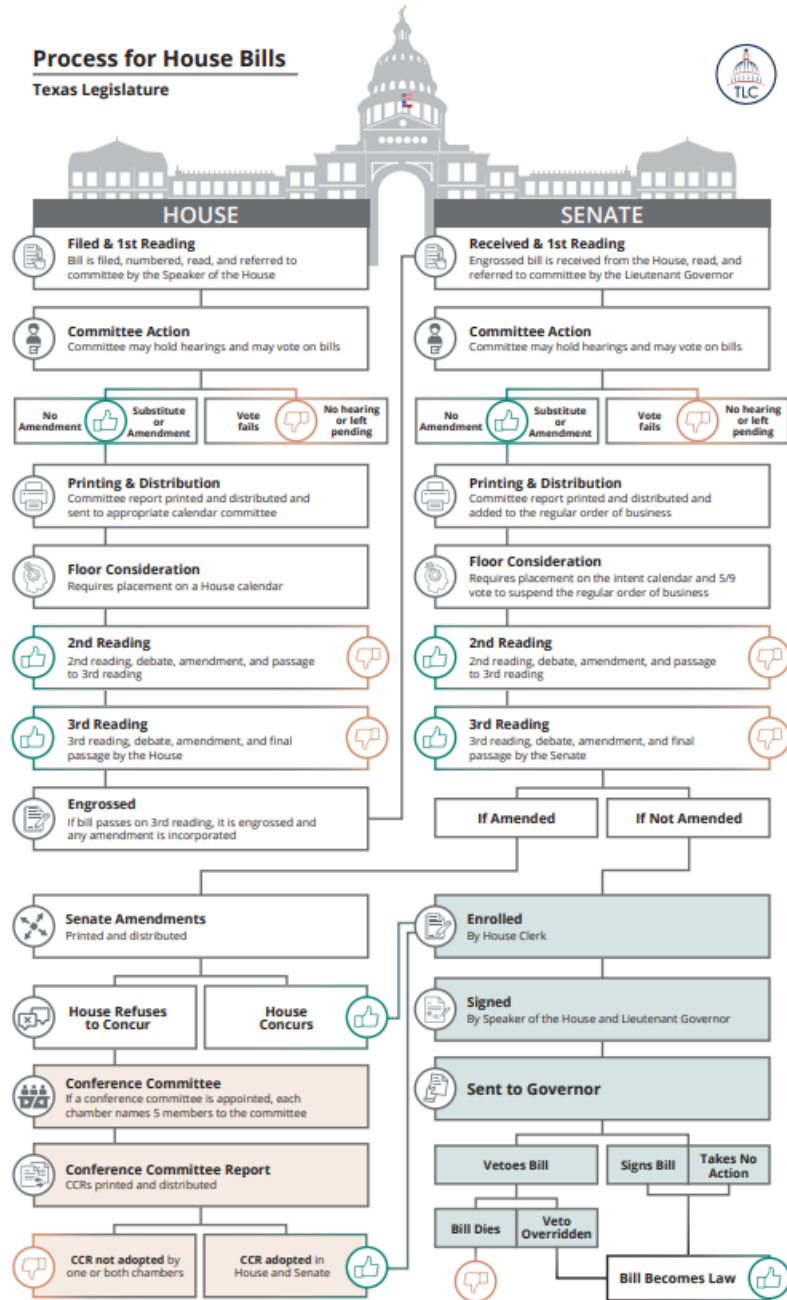
The LBB gathers impact data for fiscal notes from state agencies through a web-based Fiscal Note System (FNS). Part I of this manual is intended to assist state agencies in following the legislative and fiscal notes processes. Part II provides instructions for state agencies on preparing cost estimates and how to use the FNS.

# PART I – FOLLOWING THE LEGISLATIVE AND FISCAL NOTES PROCESSES

## BASIC STEPS IN THE TEXAS LEGISLATIVE PROCESS

Courtesy of the Texas Legislative Council, Figure 1 shows 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. The process for a bill introduced in the Senate can be seen: [https://tlc.texas.gov/docs/billprocess/BillProcessSenate\\_final.pdf](https://tlc.texas.gov/docs/billprocess/BillProcessSenate_final.pdf).

**FIGURE 1**  
**BASIC STEPS IN THE TEXAS LEGISLATIVE PROCESS**



SOURCE: Texas Legislative Council.

## STAGES OF A BILL

House and Senate rules require a fiscal note for a bill before it can be considered in a House committee or before it can be voted out of a Senate committee. LBB staff prepare a new fiscal note for each version of a bill unless there are no changes from one version to the next. Here are descriptions of the stages of a bill:

### **INTRODUCED/FILED**

The version of a bill that is introduced to the Legislature and referred to committee before any other actions occur.

### **AS AMENDED**

An introduced bill amended by the committee to which it is referred. The amendments appear after the text of the introduced bill text. If the amendments are incorporated into the bill text, the bill will be designated as a committee substitute.

### **COMMITTEE SUBSTITUTE**

The replacement for the introduced version of a bill made by the committee to which it is referred. Committee substitutes are distinguished by the prefix “CS” placed directly before the normal prefix. For example, “CSHB5” would be the Committee Substitute for House Bill 5.

### **COMMITTEE REPORT**

The committee report includes the fiscal note, 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 LBB-provided impact statement (if required), and other attachments as necessary.

### **FLOOR AMENDMENTS**

Amendments adopted on the floor of the originating chamber (House amendments for House bills, Senate amendments for Senate bills) that typically can be obtained most quickly from [Texas Legislature Online](https://capitol.texas.gov/) at <https://capitol.texas.gov/>.

### **ENGROSSED**

The version of the bill that incorporates all changes made to the proposed legislation when it is passed by the chamber in which it originated and that must be referred to committee in the second chamber before any other actions occur.

### **AS AMENDED, SECOND HOUSE/CHAMBER**

The version of the bill as engrossed by the first chamber and amended in committee in the second chamber. The amendments appear after the engrossed bill text. If the amendments are incorporated into the bill text, the bill will be designated as a committee substitute

### **COMMITTEE SUBSTITUTE, SECOND HOUSE/CHAMBER**

The replacement for a bill as engrossed by the first chamber made by the committee to which it is referred in the second chamber. As with first chamber committee substitutes, these are distinguished by the prefix “CS” placed directly before the normal prefix. For example, CS HB5 would designate the Committee Substitute for House Bill 5 (with the committee in question being a *Senate* committee – the Senate committee substitute of a House bill).

### **COMMITTEE REPORT, SECOND HOUSE/CHAMBER**

The second chamber committee report includes the same components as the first chamber committee report. The bill may be the engrossed version, a version of the engrossed bill that includes changes made by the committee (Committee Substitute), or the engrossed version with committee amendments included separately from the bill.

### **FLOOR AMENDMENTS, SECOND HOUSE/CHAMBER**

Amendments adopted on the floor of the second chamber that can be obtained from the chamber’s journal or the Texas Legislature Online website.

### **AS PASSED, SECOND HOUSE/CHAMBER**

The version of the bill as passed by the second chamber. This version includes any second chamber floor amendments.

**CONFERENCE COMMITTEE REPORT**

If the originating chamber refuses to concur with amendments made by the second chamber, members can vote to appoint a conference committee to resolve the differences. If and when differences are resolved, the result is a conference committee report incorporating the changes made by the conference committee.

In accordance with 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 bill reported by the committee is the engrossed text of either the House or Senate version to which a fiscal note already is attached. The fiscal note is required before adoption of the conference 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 of the report by the full House.

# 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 affect the state budget, individual agencies, and in some instances, local governments. The LBB does not prepare fiscal notes for simple or concurrent resolutions, with the exception of House simple resolutions to go outside the bounds (deviate from language that is not in disagreement) on bills assigned to conference committee.

## LEGAL BASIS, RULES, AND REQUIREMENTS

The Texas Government Code, Section 314.001 directs the LBB 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 that the fiscal note 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.

House and Senate rules also set out requirements that inform the content of a fiscal note. For example, House rules require a fiscal note for any bill or joint resolution that would affect all units of government of the same type or class statewide, such as all cities or all counties.

All rules referenced in this document are based on the previous session and are subject to change.

## 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, to have attached a fiscal note signed by the director of the Legislative Budget Board. In accordance with 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.
- (f) All fiscal notes must include in the summary box on the first page of the fiscal note a statement that indicates whether the bill or joint resolution will have fiscal implications or probable costs in any year.

#### **ADDITIONAL 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 was prepared, the chair of the House committee should request a new fiscal note from the Legislative Budget Board. This practice does not preclude the chair of a House committee from requesting a new fiscal note on any Senate measure referred to the committee.

#### **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 distributed with the conference committee report on its printing.

#### **SENATE RULES**

Senate rules require fiscal notes for all bills and joint resolutions. Senate rules authorize a bill to be heard without a fiscal note, but the fiscal note must be distributed before committee members can take a final vote on the measure.

#### **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)**

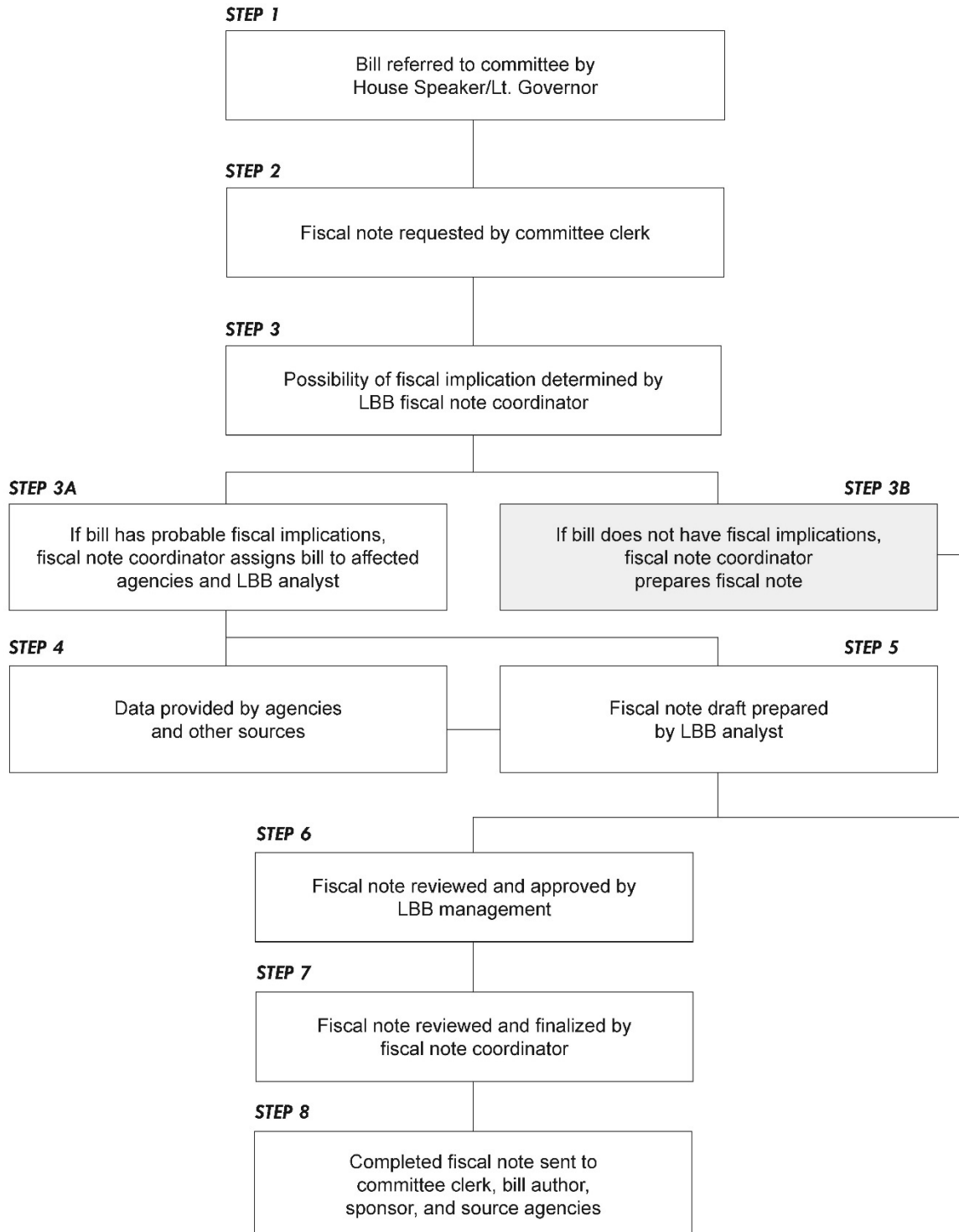
- (q) In preparing a fiscal note or an impact statement, the director of the Legislative Budget Board may use information or data supplied by any person, agency, organization, or governmental unit that the director deems reliable. The director shall state the sources of information or data used and may 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.
- (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

**FIGURE 2**  
**FISCAL NOTES PROCESS**



SOURCE: Legislative Budget Board.

**STEP 1**

The Speaker of the House or the Lieutenant Governor refers a bill to committee.

**STEP 2**

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.

After a fiscal note request is made, the 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 reviews the bill to determine appropriate actions.

**STEP 3A**

If the bill is likely to have fiscal implications, the coordinator assigns the request to affected agencies and the appropriate LBB analysts, all of whom are alerted of the assignments via automated notification emails generated by the Fiscal Note System.

**STEP 3B**

If it appears that the bill would have no fiscal implication (NFI), the coordinator may create the fiscal note or assign the bill to the appropriate analyst but not agencies. The process skips to Step 5.

**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 a detailed explanation of both the bill's fiscal impact and the method of finance.

Agency estimates should only include 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, the agency tasked with administering the immunization should only include the \$1 cost per immunization in the estimate.

**STEP 5**

If the bill would have no fiscal impact, the fiscal note coordinator or the assigned analyst creates an NFI fiscal note. If the bill would likely have fiscal implications and agencies were assigned, the LBB analyst considers all information submitted by the affected agencies and other sources in producing an accurate estimate. LBB estimates may agree or differ with information provided by state agencies. The analyst completes the fiscal note worksheet and generates a draft fiscal note.

**STEP 6**

LBB management reviews the draft fiscal note for approval.

**STEP 7**

The fiscal note coordinator makes a final check of the fiscal note.

**STEP 8**

After 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 initially was 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. These statements provide specific information (described below) not contained in the corresponding fiscal note.

In accordance with 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.

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

### **ACTUARIAL IMPACT STATEMENT**

This statement provides an estimate of proposed legislative changes to public pension funds.

- For Senate bills, the LBB will create a request only if legislation affects the financing, membership, or benefits of a pension plan.
- For House bills, the committee chair decides whether to request.

### **CRIMINAL JUSTICE POLICY IMPACT STATEMENT**

This statement provides an estimate of proposed legislative changes to prison capacity.

- For Senate bills, the LBB will create a request only if provisions of the bill would change sanctions applicable to adults convicted of a felony crime or applicable to juveniles who have been adjudicated for misdemeanor or felony conduct.
- For House bills, the committee chair should only request an impact a criminal justice policy impact statement if a provision of the bill would change sanctions applicable to adults convicted of felony crimes.

### **EQUALIZED EDUCATION FUNDING IMPACT STATEMENT**

This 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.

- For Senate bills, the LBB will create a request only if a bill proposes to change the school funding formulas.
- For the House, the committee chair decides whether to request.

### **HIGHER EDUCATION IMPACT STATEMENT**

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

- For Senate bills, the LBB will create a request 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**

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

- For Senate bills, the LBB will create a request only if provisions of the bill would reduce public access to government records and meetings. (Only required by Senate Rules.)

### **TAX/FEE EQUITY NOTES**

This 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.

- For House and Senate bills, the committee chair determines whether to request.
- Supplemental Information Regarding Economic Effects of Tax Changes is provided by the LBB upon request. These statements are prepared by the Comptroller of Public Accounts.

**WATER DEVELOPMENT POLICY IMPACT STATEMENT**

This statement provides an estimate of changes resulting from the establishment of water districts pursuant to the **Texas Constitution, Article XVI, Section 59**. The Water Development Board and the Texas Commission on Environmental Quality are important sources of information in preparing these documents.

- For House bills, the committee chair should request 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 developed when the bill was in the House, the LBB will create a request for an updated impact statement.)

## FREQUENTLY ASKED QUESTIONS

### Who can request a fiscal note?

In accordance with 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 fiscal notes are requested by committee clerks. The rules have no formal procedure for fiscal note requests other than those from a committee. An author or sponsor is not authorized to request a fiscal note unless the author or sponsor is the chair of the committee to which that bill is referred.

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

Committees may request a fiscal note only at those points in the legislative process specified in the House and Senate rules.

In accordance with House rules, a committee chair requests a fiscal note on bills or joint resolutions that authorize or require the expenditure or diversion of any state funds for any purpose or that 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.

In accordance with 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. Rules also require an updated fiscal note prior to a motion to concur with House amendments if the director of the LBB determines that one is necessary.

### Does the LBB prepare fiscal notes on bills and resolutions?

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, except for House simple resolutions that authorize going outside the bounds on bills assigned to conference committee.

### What is the distinction between No Fiscal Implication (NFI) and No Significant Fiscal Implication (NSFI)?

The term No Fiscal Implication (NFI) means just that: NO fiscal implication. Implementing the provisions of the bill would not require any additional resources from the state, nor would there be any savings or 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. Similarly, any savings or revenue impact would be insignificant in context.

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

The fiscal note provides cost and revenue information should the bill pass and its provisions be implemented. 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.

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

This question often arises when bill language states that a program “may” be implemented as opposed to “shall/must” be implemented.

- For estimates of impact on the state, the LBB treats “may” and “shall/must” 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.
- For estimates of impact on 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 on units of local government that might result.

**If an agency resubmits information regarding a bill’s impact, is the LBB obligated to use the latest information?**

No. The LBB uses the information it believes to be most accurate and reliable. If an agency resubmits information that differs substantially from the agency’s original submission, the LBB will evaluate 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.

**Do fiscal notes represent costs to state funds only, or do they represent costs to the Texas economy as a whole?**

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.

**What is the baseline for preparing fiscal note estimates?**

Fiscal note estimates are based on law and funding in effect at the time the estimates are produced and on the Comptroller of Public Accounts’ 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 and 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.

**How do fiscal notes and the appropriation process go together?**

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 can be helpful in this process by providing members of those committees a guideline as to how much they might consider appropriating. 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. But for purposes of the LBB, the amount that may be appropriated has no bearing on the cost included in the fiscal note.

- 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.

**How are fiscal notes distributed?**

LBB fiscal note coordinators deliver fiscal notes to the requesting committee's chair or clerk, bill authors and sponsors, and source agencies via the LBB's web-based Fiscal Note System. The LBB will also hand-deliver a hard copy of the fiscal note to the committee under special circumstances.

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

LBB staff can access/print the fiscal note from the Fiscal Note System. A copy of the fiscal note is also posted on [Texas Legislature Online](#) after delivery or, in the case of a committee substitute, after the committee report is turned in to the committee coordinator's office, an event which may lag behind the date of the hearing.

## 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 Fund).

### **ACT**

A bill passed by the Legislature that has become law.

### **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 (or a section of the Texas Code of Criminal Procedure).

### **BIANNUAL**

Occurring twice a year; LBB convention is instead to say every six months.

### **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., the 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, including both constitutionally and statutorily dedicated funds. Accounts often are referred to mistakenly 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, specified by the calendar year in which the fiscal year ends (e.g., September 1, 2023, to August 31, 2024, is fiscal year 2024). The federal fiscal year is October 1 through September 30.

### **FULL-TIME-EQUIVALENT (FTE) POSITION**

Unit of measure that represents the number of hours that an employee works compared to 40 hours per week. Full-time employment is generally considered to be 40 hours per week. An FTE is any combination of employees whose work hours total 40 hours a week and does not necessarily equate to headcount. For example, two halftime (20 hours per week) workers together equal one FTE.

**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 Funds 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 Technology and Instructional Materials Fund (No. 003), Foundation School Fund (No. 193), and Tobacco Settlement Fund (No. 5040). This narrow definition applies for fiscal note purposes only.

**NO FISCAL IMPLICATION (NFI)**

When stated on a fiscal note, this means that implementing the provisions of the bill would not require any additional resources from the state, nor would there be any savings or state revenue impact.

**NO SIGNIFICANT FISCAL IMPLICATION (NSFI)**

When stated on a fiscal note, this means that the change in resources necessary to implement a program is insignificant relative to the budget of the affected agency and could reasonably be absorbed within an agency’s current appropriation level. Similarly, any savings or revenue impact would be insignificant in context.

**SPECIAL FUNDS**

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

**STATUTE**

A law passed by the Legislature and generally listed in topical codes with other legislation on the same subject.

DOCUMENT ABBREVIATIONS			
ABBREVIATION	MEANING	ABBREVIATION	MEANING
FN	Fiscal Note	Open	Open Records Impact Statement
Act	Actuarial Impact Statement	Supp	Supplemental Information Regarding Economic Effects of Tax Changes
CJ	Criminal Justice Impact Statement	Tax	Tax/Fee Equity Note
EEFIS	Equalized Education Funding Impact Statement	WDev	Water Development Policy Impact Statement
HEd	Higher Education Impact Statement		

## PART II – INSTRUCTIONS FOR STATE AGENCIES

### STATE AGENCIES – BEFORE PREPARING A FISCAL ESTIMATE

#### READING THE BILL

Make sure you read the correct version of the bill. Read the entire bill, noting new language, deleted language, changed wording, references to various 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. A bill typically does not make an appropriation but might provide a legal basis for an agency 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 <https://tlc.texas.gov/readingabill/>.

#### IDENTIFYING FISCAL ISSUES

To estimate the fiscal impact of a bill, you must determine what the bill would do, ascertain which parts of the bill would have a fiscal impact (costs, savings, revenue gains, revenue losses), and then make certain assumptions about how the bill would be implemented. These are some questions you might need to work through to identify fiscal impact:

- How many FTE positions and what types of positions would it take to implement and operate a program that would be created by a bill?
- Would costs/revenue be affected evenly across time? What factors might change costs/revenues from year to year (e.g., aging population, immigration, growing prison population, economies of scale, fewer births, more competition)?
- Would there be onetime 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 your agency be able to absorb any added workload requirements and expenditures?
- Are there provisions for expansion, contraction, or termination of the program?
- Would there be reasons that a program's costs/revenues would increase or decrease (e.g., population growth)?
- If a bill affected a tax or fee, how many taxpayers, sales, insurance policies, or other data items would be affected?
- What would be the elasticity of demand for a good in question with respect to price if affected by a bill? Would demand for a 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 actually would be less than before the tuition increase.
- Would there be an impact on matching fund and maintenance of level of effort requirements? For example, if the 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, may be automatically withdrawn.

#### 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 committee substitutes will be uploaded to the Fiscal Note System. For these bill versions, timelines are short – the LBB typically needs agencies to respond within 12-24 hours.

#### STATE AGENCIES – PREPARING A FISCAL ESTIMATE

The explanations on this page and the next provide guidance on 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 on how to use the FNS.

#### **BILL SUMMARY/FISCAL ANALYSIS**

Include a brief summary of 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.

#### IMPORTANT

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.

#### **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. Note that 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. 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, revenue gains, and revenue losses. Costs and savings represent a change in expenditures, whereas revenue 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 whether the bill authorizes the collection of fees, appropriates fees, whether the fees would recover costs, and whether 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 on the cost of personnel services, which should match the number of positions listed in the FTE table. Costs should also 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.

If including a statement that the fiscal impact would not be significant (i.e., could be absorbed using existing resources), provide the data upon which that assumption is made.

### **METHODOLOGY**

List key assumptions used to develop an estimate. The level of detail should 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 more difficult to calculate, provide additional information about assumptions, data, methods, etc.

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. Please state this policy.

#### **NOTE**

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

### **TECHNOLOGY IMPACT**

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

#### **NOTE**

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.

**NOTE**

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.

### CONTACTING THE FNS HELP DESK

The LBB supports an FNS pager/hotline that is monitored 24 hours a day, 7 days a week, during legislative sessions. To reach the pager/hotline, call 512-936-4033. If your call is not answered, leave a message and 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.texas.gov](mailto:LBB.Applications@lbb.texas.gov).

### OBTAINING A USERNAME AND PASSWORD

You must have a username and password to access FNS. Even if you have access to other LBB applications such as the Automated Budget and Evaluation System of Texas (ABEST), you specifically need to request access to FNS to be able to log in.

To request a username and password to FNS, please fill out a logon request form here: <https://loginreqagy.lbb.texas.gov/>.

Select "FNS (Fiscal Notes System)" in the "Access Needed for" field. You should receive your FNS username and password within one business day.

### LOGGING IN

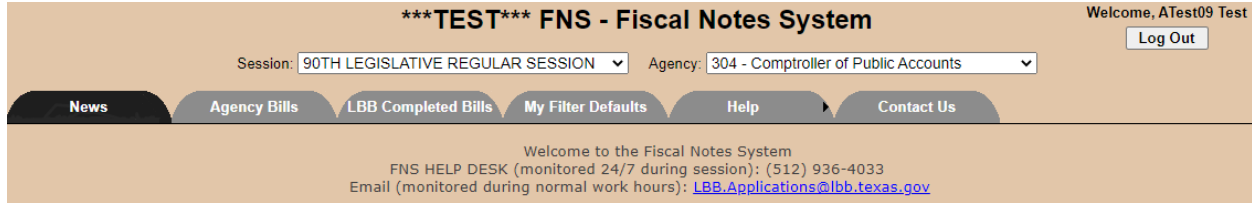
Once you have your FNS username and password, you may log in. You can access FNS from the LBB's website by clicking Agencies Portal and then Fiscal Notes System as shown below.



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

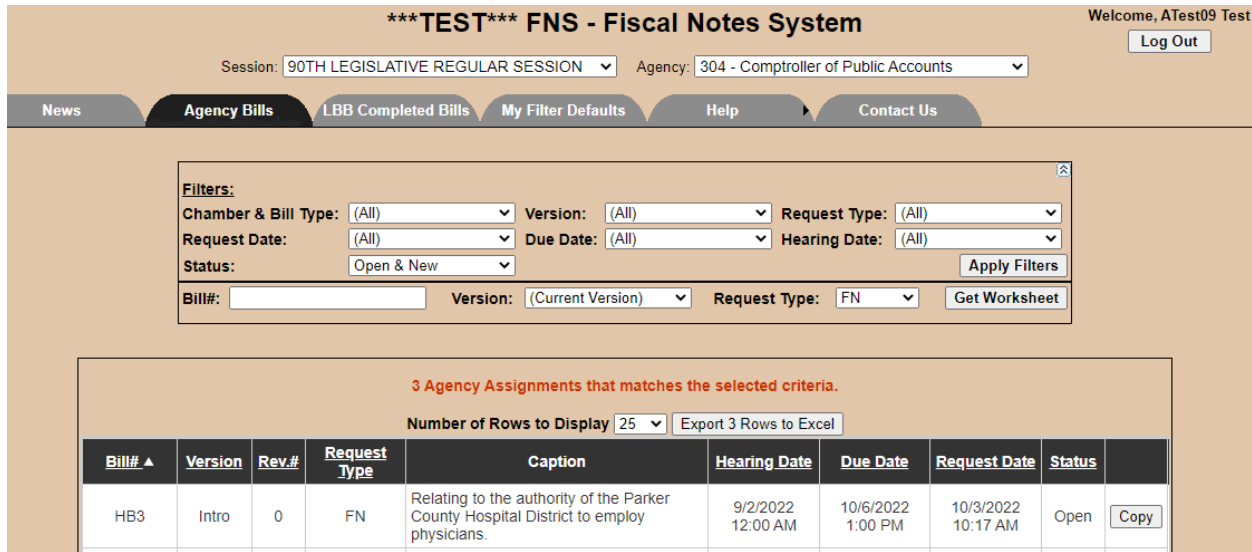
**VIEWING THE NEWS SCREEN**

The **News** screen is the first screen that appears after you log into FNS.



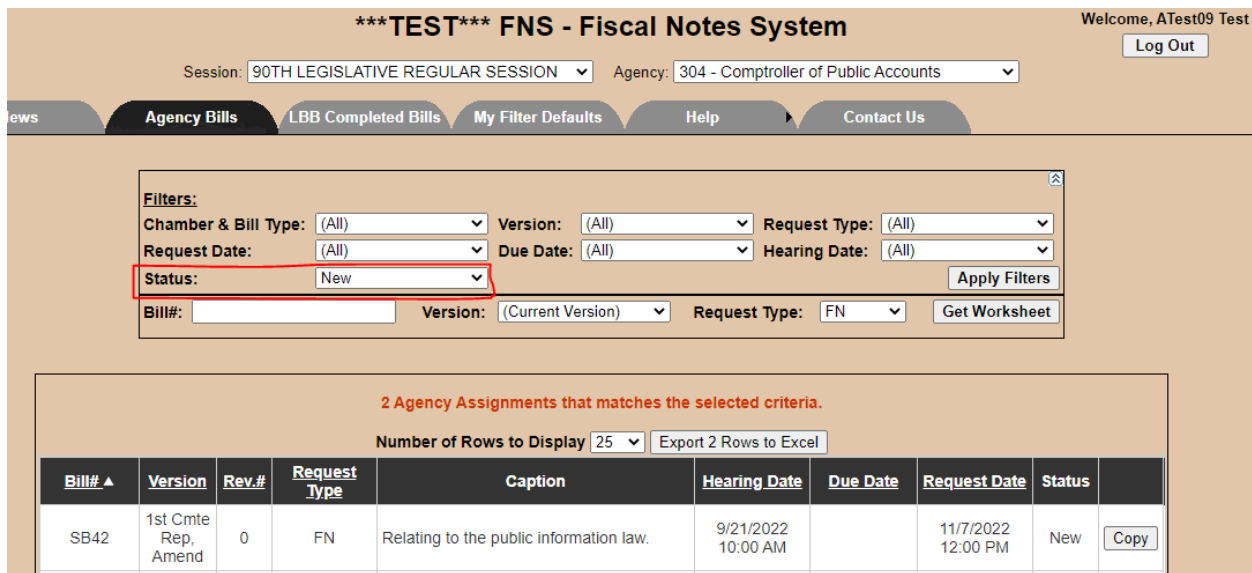
**VIEWING AGENCY BILLS**

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. You can also export the list to Excel.



**APPLYING A TEMPORARY FILTER**

To change the list of assignments, 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.



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 by selecting the **My Filter Defaults** tab (instructions to follow).

**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.

The screenshot shows the top navigation bar with the title "FNS - Fiscal Notes System" and a "Log Out" button. Below the navigation tabs, there is a filter box with fields for "Bill#", "Version" (set to "Current Version"), and "Request Type" (set to "FN"). A small arrow icon in the top right corner of the filter box is circled in red. Below the filter box, a message states "2 Agency Assignments that matches the selected criteria." Below this message, there are controls for "Number of Rows to Display" (set to 25) and "Export 2 Rows to Excel". A table displays the following data:

Bill#	Version	Rev.#	Request Type	Caption	Hearing Date	Due Date	Request Date	Status
SB42	1st Cmte Rep. Amend	0	FN	Relating to the public information law.	9/21/2022 10:00 AM		11/7/2022 12:00 PM	New

**SEARCHING FOR A BILL**

Below the filters box is a search box. 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.

The screenshot shows the same interface as above, but with the "Bill#" field filled with "SB42", the "Version" dropdown set to "Intro", and the "Request Type" dropdown set to "FN". The "Get Worksheet" button is circled in red.

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

The screenshot shows the "Return To Summary" button circled in red. The main content area displays the following information:

**Fiscal Note Cost Estimate for Bill#: HB3 As Introduced Due Date: 10/6/2022 1:00:00 PM**

<b>Caption:</b>	<a href="#">Relating to the authority of the Parker County Hospital District to employ physicians.</a>		
<b>Request Date:</b>	10/3/2022 10:17:00 AM	<b>Hearing Date:</b>	9/2/2022
<b>Completion Date:</b>		<b>Status:</b>	Open
<b>LBB Coordinator:</b>	<a href="#">TestCoordinatorC1 LTESTC1</a> , Contact#: 463-1200		
<b>LBB Analyst:</b>	<a href="#">TestCoordinatorC1 LTESTC1</a> , Contact#: 463-1200		
<b>Other Agencies Assigned To:</b>	103 Legislative Council		

**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.

**Filters:**  
 Chamber & Bill Type: (All) Version: (All) Request Type: (All)  
 Request Date: (All) Due Date: (All) Hearing Date: (All)  
 Status: Open & New Apply Filters

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

3 Agency Assignments that matches the selected criteria.

Number of Rows to Display 25 Export 3 Rows to Excel

Bill#	Version	Rev.#	Request Type	Caption	Hearing Date	Due Date	Request Date	Status	
SB73	Engross	0	FN	Recognizing the McDonald Observatory on the occasion of its 80th anniversary.	9/22/2022 10:00 AM		11/7/2022 10:52 AM	New	<span>Copy</span>
SB42	1st Cmte Rep, Amend	0	FN	Relating to the public information law.	9/21/2022 10:00 AM		11/7/2022 12:00 PM	New	<span>Copy</span>
HB3	Intro	0	FN	Relating to the authority of the Parker County Hospital District to employ physicians.	9/2/2022 12:00 AM	10/6/2022 1:00 PM	10/3/2022 10:17 AM	Open	<span>Copy</span>

1

**CHANGING MY FILTER DEFAULTS**

To change your default filters, click the tab **My Filter Defaults**, as shown below.

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

Session: 90TH LEGISLATIVE REGULAR SESSION Agency: 304 - Comptroller of Public Accounts

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

atest09 - Default filter settings for Agency Code - 304

Chamber & Bill Type: (All)  
 Version: (All)  
 Request Type: (All)  
 Request Date: (All)  
 Due Date: (All)  
 Hearing Date: (All)  
 Status: Open & New  
 Sort By: Chamber & Bill Type  
 Sort Order:  ASC  DESC

Save My Filter Defaults

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.

<a href="#">Return To Summary</a> <b>Fiscal Note Cost Estimate for Bill#: HB3 As Introduced</b> <b>Due Date: 10/6/2022 1:00:00 PM</b>			
<b>Caption:</b>	<a href="#">Relating to the authority of the Parker County Hospital District to employ physicians.</a>		
<b>Request Date:</b>	10/3/2022 10:17:00 AM	<b>Hearing Date:</b>	9/2/2022
<b>Completion Date:</b>		<b>Status:</b>	Open
<b>LBB Coordinator:</b>	<a href="#">TestCoordinatorC1 LTESTC1</a> , Contact#: 463-1200		
<b>LBB Analyst:</b>	<a href="#">TestCoordinatorC1 LTESTC1</a> , Contact#: 463-1200		
<b>Other Agencies Assigned To:</b>	103 Legislative Council		
<b>Agency Analyst: *</b>	<input type="text" value="test"/>	<b>Format:</b>	<input checked="" type="radio"/> Paste In <input type="radio"/> NFI <input type="radio"/> WorkSheets
			<input type="button" value="Save"/>

**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 [username]. Hence you can only view the data.” Worksheets and impact statements may only be worked on by one user at a time.

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 full text of the bill, click the blue caption link. The text opens in a separate tab.

To view the text of the committee substitute or committee amended version of a bill, click the **Show Bill Text** button, as shown below. The text downloads as a Word document.

<b>Caption:</b>	Relating to the public information law.		<input type="button" value="Show Bill Text"/>
<b>Request Date:</b>	11/7/2022 12:00:00 PM	<b>Hearing Date:</b>	9/21/2022 10:00:00 AM
<b>Completion Date:</b>		<b>Status:</b>	Open
<b>LBB Coordinator:</b>	<a href="#">TestCoordinatorC1 LTESTC1</a> , Contact#: 463-1200		
<b>LBB Analyst:</b>	<a href="#">TestCoordinatorC1 LTESTC1</a> , Contact#: 463-1200		
<b>Other Agencies Assigned To:</b>			

Fiscal note worksheets for engrossed bills and bills that have passed the second house/chamber have a link to the bill’s Amendments page on Texas Legislature Online where floor amendments can be viewed.

<b>Caption:</b>	<a href="#">Relating to the expansion of broadband services to certain areas.</a>		
<b>Request Date:</b>	4/16/2021 11:12:00 AM	<b>Hearing Date:</b>	4/21/2021 8:00:00 AM
<b>Completion Date:</b>	4/20/2021 2:04:00 PM	<b>Status:</b>	Complete
<b>LBB Coordinator:</b>	<a href="#">Abraham Alvarenga</a> , Contact#: 463-1107		
<b>LBB Analyst:</b>	<a href="#">Harrison Gregg</a> , Contact#: 463-1187		
<b>Other Agencies Assigned To:</b>	300 Trusteed Programs - Gov		
<b>Amendment:</b>	<a href="#">Amendments</a>		

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

When working on a fiscal note worksheet, the agency analyst should enter his or her name in the **Agency Analyst** field, select a format (see below for descriptions), and click **Save**, as shown below.

<b>Agency Analyst: *</b>	John Doe	<b>Format:</b>	<input type="radio"/> Paste In <input checked="" type="radio"/> NFI <input type="radio"/> WorkSheets
Click Save Button to reflect changes.			<b>Save</b>

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**

Select the **Paste In** format and click **Save** to open an area where you can paste copied text or enter new text, as shown below. Use the icons for formatting assistance.

<b>Agency Analyst: *</b>	John Doe	<b>Format:</b>	<input checked="" type="radio"/> Paste In <input type="radio"/> NFI <input type="radio"/> WorkSheets
Successfully Updated.			<b>Save</b>

\* indicates required field

Fiscal Note Cost Estimate for Bill#: HB3 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"/>

Text copied from Word or Excel should retain its formatting.

Click **Save Cost Estimate** to save your changes. Click **Undo Changes** to discard all changes since the last save. Check the box to print the 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 return to the worksheet screen to make changes. Click **Print** on the Print Review screen 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.

<b>Agency Analyst: *</b>	John Doe	<b>Format:</b>	<input type="radio"/> Paste In <input checked="" type="radio"/> NFI <input type="radio"/> WorkSheets
<b>Successfully Updated.</b>			<b>Save</b>

**\* indicates required field**

**State Government Details \***

**Undo Changes** **Save State Government Details**

<b>Print State Government on New Page:</b>	<input type="checkbox"/>
<b>Standard Statements:</b>	No fiscal implication to the State is anticipated. ▾
<b>State Government Comments:</b>	<b>Replace State Gov. Comments with Standard Statement</b>
<b>Clear Comments</b>	

No fiscal implication to the State is anticipated.

**Local Government Impact Details \***

“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 **Undo Changes** 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.



<b>State Government Details *</b>	
<b>Local Government Impact Details *</b>	
<input type="button" value="Undo Changes"/> <input type="button" value="Save Local Government Impact Details"/>	
Print Local Government Impact on New Page:	<input type="checkbox"/>
Standard Statements:	<input type="text" value="No fiscal implication to units of local government is anticipated."/> <input type="button" value="Replace Local Gov. Comments with Standard Statement"/>
Local Government Impact Comments:	<input type="button" value="Clear Comments"/>
<p>No fiscal implication to units of local government is anticipated.</p>	

**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" value="John Doe"/>	Format:	<input type="radio"/> Paste In <input type="radio"/> NFI <input checked="" type="radio"/> Worksheets
Starting Year:	<input type="text" value="2028"/>	Number of Years:	<input type="text" value="5"/>
Click Save Button to reflect changes.			<input type="button" value="Save"/>

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 between 5 to 10 years on your worksheet. Five years is the minimum, unless the impact starts in the current fiscal year, in which case you should show the current fiscal year’s impact plus five years into the future.

Clicking **Save** shows a tabbed Summary field appears, as shown below.

<b>SUMMARY</b>	
<input type="button" value="Section Comments"/> <input type="button" value="Projected Technology Cost"/> <input type="button" value="Fiscal Implications"/> <input type="button" value="FTEs"/> <input type="button" value="Personnel Services"/> <input type="button" value="Other Expenses"/> <input type="button" value="Method of Financing"/>	
<b>Bill Summary/Fiscal Analysis *</b>	
<input type="button" value="Save Bill Summary/Fiscal Analysis Details"/>	
Print Bill Summary/Fiscal Analysis on New Page:	<input type="checkbox"/>
Bill Summary/Fiscal Analysis Comments:	<input type="button" value="Edit Comments"/> <input type="button" value="Clear Comments"/>
<b>Fiscal Impact</b>	
<b>Methodology</b>	
<b>Technology</b>	
<b>Local Government Impact</b>	
<b>Comments</b>	

**IMPORTANT**

FNS times out after 30 minutes, and you will lose your 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. For each selected section, click **Edit Comments** to open a window where you can enter and format text and save and return (or cancel changes and return), as shown below.

The screenshot shows a text editor window with a toolbar at the top containing various icons for undo, redo, cut, copy, paste, bold, italic, underline, bulleted list, numbered list, indent, outdent, link, unlink, and help. Below the toolbar is a large empty text area. At the bottom of the window are two buttons: "Save & Return" and "Cancel & Return".

Check the checkbox to print the selected section on a new page.

Click **Save (Section Name) Details** to save.

**ENTERING PROJECTED TECHNOLOGY COST**

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

The screenshot shows a software interface with several tabs: "Section Comments", "Projected Technology Cost", "Fiscal Implications", "FTEs", "Personnel Services", "Other Expenses", and "Method of Financing". The "Projected Technology Cost" tab is active. Below the tabs is a checkbox labeled "Print Projected Technology Cost on a separate page." Below the checkbox is a table with the following structure:

	2028	2029	2030	2031	2032
Technology Impact	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

At the bottom right of the table area is a "Save" button.

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.

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

Print Fiscal Implications on a separate page.

**Summary of Fiscal Implications**

	2028	2029	2030	2031	2032	
1 - Probable Gain to General Revenue Fund		\$0				
1 - Probable Loss to General Revenue Fund	(\$1,000,000)	\$0	\$0	\$0	\$0	
1 - Probable Savings to General Revenue Fund						
1 - Probable Cost to General Revenue Fund						
2 - Probable Gain to 2 - Available School Fund	\$1,000,000	\$0	\$0	\$0	\$0	*

**Fiscal Implications**

**Impact To Fund:**  
 Probable Gain to

**Fund Description:**  
 2 - Available School Fund

Data saved successfully.

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

Losses and costs may be entered without entering a minus sign or parentheses. When saved, those numbers appear in red and in parentheses to denote negative amounts, as shown above.

Enter dollars as whole numbers. Dollar signs or commas do not need to be entered.

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

**ENTERING FTE CHANGES**

Click the **FTEs** tab to enter the number of FTEs affected by the bill. Enter negative numbers either by preceding them with a hyphen/minus sign or putting them in parentheses. Clicking **Save** displays negative numbers in parentheses in red type.

Note that FTEs may only show one decimal position.

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

Print FTE's on a separate page.

FTEs (one decimal position ONLY)

	2028	2029	2030	2031	2032
FTEs	1.5	0	0	0	0

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.

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

Print Personnel Services on separate page.

**Cost to the State**  
Personnel Services

Salary Group	Position Title	FTEs Req	2028	2029	2030	2031	2032	
B23	Contract Specialist V	2.0	\$150,000					*
<b>Total (also reflected in Other Expenses)</b>		<b>2</b>	<b>\$150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**Personnel Services:**  
 Contract Specialist V-B23  
 B23 Contract Specialist V

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 entered 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 the 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.

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

Print Other Expenses on separate page.

**Other Expenses**

	2028	2029	2030	2031	2032
Total salaries and wages ( from Personnel Services Schedule )	\$150,000	0	0	0	0
Professional Services	\$10,000				
Travel	\$5,000				
Rent					
Other operating expense					
Equipment					
Employee retirement, OASI & group ins. cost (32.52% of salary cost)	\$48,780	0	0	0	0
Agency Payroll Contribution cost (1.5% of salary cost)	\$2,250	0	0	0	0
<b>Total</b>	<b>\$216,030</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**

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

Print Method of Financing on separate page.

Method of Financing						
	2028	2029	2030	2031	2032	
1 - General Revenue Fund	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
555 - Federal Funds	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
5040 - Tobacco Settlmnt Receipts ↑↓	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	*
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

**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 STATEMENT WORKSHEETS**

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; and
- water development policy impact statements by the Texas 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.

Agency Bills
LBB Completed Bills
My Filter Defaults
Help
Contact Us

**Filters:**

Chamber & Bill Type: 
 Version: 
Request Type:

Request Date: 
 Due Date: 
 Hearing Date:

Status:

Bill#: 
 Version: 
 Request Type:

A list of statements of the type selected will appear. Double-click on one to view it and enter the agency analyst's name and click **Save** to open up a worksheet, as shown below.

News		Agency Bills		LBB Completed Bills		My Filter Defaults		Help		Contact Us			
<a href="#">Return To Summary</a>		Tax/Fee Equity Note Cost Estimate for Bill#: HB3 As Passed 2nd House											
<b>Caption:</b>	Relating to the authority of the Parker County Hospital District to employ physicians.												
<b>Request Date:</b>	11/8/2022 11:16:00 AM					<b>Hearing Date:</b>	10/21/2022 12:52:00 PM						
<b>Completion Date:</b>						<b>Status:</b>	New						
<b>LBB Coordinator:</b>	<a href="#">Scott Dudley</a> , <b>Contact#:</b> 463-1903 , <b>Pager:</b> 403-9182												
<b>LBB Analyst:</b>	<a href="#">Kevin Kavanaugh</a> , <b>Contact#:</b> 463-9205												
<b>Other Agencies Assigned To:</b>													
<b>Amendment:</b>	<a href="#">Amendments</a>												
<b>Agency Analyst: *</b>	Jane Doe												
<b>Successfully Updated.</b>										<b>Save</b>			
<b>* indicates required field</b>													
Tax/Fee Equity Note Cost Estimate for Bill#: HB3 As Passed 2nd House*													
										<b>Undo Changes</b>		<b>Save Cost Estimate</b>	
<b>Print Cost Estimate on New Page:</b>										<input type="checkbox"/>			
<b>Cost Estimate:</b>												<b>Clear Cost Estimate</b>	

The impact statement worksheet works exactly the same as a **paste-in worksheet**.

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

**COPYING A FISCAL NOTE OR IMPACT STATEMENT WORKSHEET**

As the session progresses, you may find that you need the same data in multiple estimates (e.g., for duplicate bills or different versions of a bill with identical impacts). If you have completed an estimate, you can copy the contents of that estimate to another bill. From the **Agency Bills** tab, find the row for the bill to which you want copy and click the **Copy** button, as shown below.

The screenshot shows the 'Agency Bills' section of a web application. At the top, there are navigation tabs: News, Agency Bills (selected), LBB Completed Bills, My Filter Defaults, Help, and Contact Us. Below the tabs is a 'Filters' section with several dropdown menus: Chamber & Bill Type: (All), Version: (All), Request Type: (All), Request Date: (All), Due Date: (All), Hearing Date: (All), and Status: Open & New. There are 'Apply Filters' and 'Get Worksheet' buttons. Below the filters, a summary states '4 Agency Assignments that matches the selected criteria.' and 'Number of Rows to Display 25' with an 'Export 4 Rows to Excel' button. A table lists the bills with columns: Bill# ▲, Version, Rev.#, Request Type, Caption, Hearing Date, Due Date, Request Date, Status, and a 'Copy' button. The first row shows Bill# HB3, Version Intro, Rev.# 0, Request Type FN, and Status Open. The 'Copy' button for this row is highlighted with a red box.

Bill# ▲	Version	Rev.#	Request Type	Caption	Hearing Date	Due Date	Request Date	Status	
HB3	Intro	0	FN	Relating to the authority of the Parker County Hospital District to employ physicians.	9/2/2022 12:00 AM	10/6/2022 1:00 PM	10/3/2022 10:17 AM	Open	Copy

A screen will display the bill number for which you are seeking to copy an estimate, any identical or similar bills based on information from [Texas Legislature Online](#), and a drop-down list of completed estimates will appear. Select the bill with the completed estimate from which you want to copy and click **Copy**.

The 'Copy Bill' dialog box displays the following information: 'Bill#: HB 3, Version: Intro, Revision#: 0'. It contains a warning: 'The Copy button will delete any changes that you have made for this fiscal note and will paste in the data from the bill you selected. Select a Bill# from dropdown and Click Copy to copy data. Click Cancel to keep existing data.' Below this, it lists 'Identical, Duplicate Bills: HB 08011' and 'Similar, Very Similar Bills:' with a dropdown menu showing 'HB32'. At the bottom, there are 'Copy' and 'Cancel' buttons.

**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 enables 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.

The screenshot shows a row of four buttons: 'Return', 'Submit to LBB' (highlighted with a red box), 'Print Preview', and 'Print'.

To revise a submitted worksheet, LBB staff will need to reopen the worksheet. Contact the fiscal note coordinator for the bill in question.

**VIEWING LBB COMPLETED BILLS**

The tab **LBB Completed Bills** enables 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.

The screenshot shows a web interface with a navigation bar containing 'News', 'Agency Bills', 'LBB Completed Bills', 'My Filter Defaults', 'Help', and 'Contact Us'. Below the navigation bar is a 'Filters' section with three dropdown menus: 'Chamber & Bill Type' (set to '(All)'), 'Version' (set to '(All)'), and 'Request Type' (set to '(All)'). There is an 'Apply Filters' button. Below the filters is a search bar with 'Bill#:' and a 'Get Bill Details' button. The main content area displays '53 Bills that matches the selected criteria.' and a 'Number of Rows to Display' dropdown set to '25', with an 'Export 53 Rows to Excel' button. A table lists the following bills:

Bill# ▲	Version	Request Type
HB4	As Introduced	FN
HB4	As Engrossed	FN
HB4	As Passed 2nd House	FN
HB7	As Introduced	FN
HB10	As Introduced	FN

**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. Click **OK** to close the window.

The screenshot shows a pop-up window with a cartoon character of a bill on the left. The text in the window is as follows:

**Phone Numbers**  
**FNS Pager (512) 936-4033**  
 Main (512) 463-1200  
 Fax (512) 475-2902

**Email Contacts**  
[LBB Applications](#)  
[Webmaster](#)

At the bottom of the window is an 'OK' button.

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

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