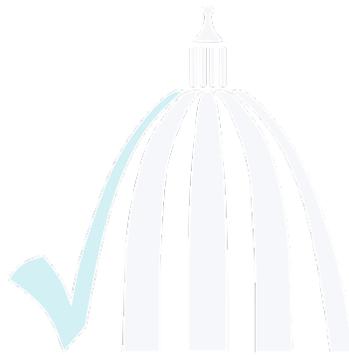


# Fiscal Note User Guide

Updated January 2026





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## Table of Contents

Fiscal Note User Guide .....	1
Introduction .....	1
Fiscal Note Statute .....	1
Fiscal Note Overview .....	1
Fiscal Note Types .....	1
Fiscal Note Process .....	2
Chapter 1: Fiscal Note Example .....	5
Sample Fiscal Note .....	7
Chapter 2: Components and Best Practices .....	10
Objectivity .....	10
Plain Language .....	10
Budgetary Policy and Instructions .....	10
Fiscal Note Format .....	10
Components of a Fiscal Note .....	11
Chapter 3: Beyond the Basics .....	18
Using a Range of Fiscal Impact in the Narrative .....	18
Constitutional Amendments .....	19
Bills Involving Pensions .....	19
Fiscal Note Impact That Leads to Insufficient Fund Balance or Cash Flow Issues .....	20
Expansion of Activity of Current Programs .....	20
Bills Containing an Appropriation .....	20
No Fiscal Impact .....	20
Contingency Bills .....	21
Central Service Agency Responds on Behalf of Enterprise .....	21
Fiscal Impact Cannot be Determined .....	21
Rulemaking .....	22
Classified Unofficial Fiscal Notes .....	22
Revised Fiscal Notes .....	23
Creating a Fiscal Note for a New Entity .....	23
Fiscal Notes with Revenue Impacts .....	24

Chapter 4: Common Fiscal Note Errors .....	25
Secondary Impacts .....	25
No Fiscal Impact, Immaterial Fiscal Impact, and Absorbed Costs.....	25
Showing Expenditures for Salary and Benefits with No FTE Impacts .....	26
Showing Expenditures for Salaries with No Benefits.....	26
Fiscal Impact Listed in Dollars Instead of Thousands of Dollars .....	26
Understanding the Use of Parentheses .....	26
Narrative Data Mismatch with Tables .....	28
Inconsistent Assumptions Between Agencies on Consolidated Note .....	28
Lack of Plain Language: Abbreviations, Jargon, and Passive Voice .....	28
Biased Language .....	29
Formatting Errors .....	29
Chapter 5: Using the Fiscal Note Tracking System (FNTS).....	30
All Users.....	30
Legislative Users.....	37
Agency Users.....	40
LBO Analysts.....	44
MMB EBOs .....	45
Appendix A: FNTS Email Notifications.....	46
Appendix B: Local Government Entity Associations .....	48
Appendix C. Sample LBO Fiscal Note Review Checklist.....	50

# Introduction

This Fiscal Note User Guide prepared by the Legislative Budget Office (LBO) provides information on fiscal notes, direction on how to complete a fiscal note, and technical instructions on the Fiscal Note Tracking System (FNTS). The purpose of the Fiscal Note User Guide is to provide instruction and examples to ensure compliance with the [Fiscal Note Uniform Standards and Procedures](#) (USP). Users should become familiar with the USP's to understand how to develop fiscal notes.

## Fiscal Note Statute

Agencies and the Supreme Court are directed by [Minnesota Statutes 2025, section 3.98](#) to complete fiscal notes according to the USP approved by the LBO Oversight Commission.

## Fiscal Note Overview

A fiscal note is an objective estimate of the fiscal impact to the state from the implementation of a proposed bill. The fiscal impact estimates include changes in expenditures and non-tax revenues. Fiscal notes are often requested to inform the legislature of the potential fiscal impact of the bill prior to a scheduled hearing. A fiscal note is requested for a particular version of a bill.

A fiscal note helps legislators and the public understand how a bill will impact the state budget, the budgets of state agencies, and local governments (when applicable). Fiscal notes are created by state agencies, the judicial branch, or other state entities with subject matter expertise on the topic or whose operations are impacted by the proposed legislation.

## Fiscal Note Types

### Regular Fiscal Notes

A regular fiscal note is requested and prepared on an introduced bill or an amendment to an introduced bill. Pursuant to [Minnesota Statutes 2025, section 3.98](#), a regular fiscal note can only be requested by the chair of the House Ways and Means Committee, the chair of the Senate Finance Committee, and the chair of the committee to which the bill has been referred. Operationally, legislative fiscal analysts make requests for fiscal notes on behalf of members. Completed regular fiscal notes are public data.

Agencies impacted by the legislation are assigned to complete a fiscal note. In certain cases, multiple agencies are impacted, and more than one agency is assigned to complete a fiscal note. This is known as a consolidated fiscal note. A consolidated fiscal note can be created for regular, unofficial, or classified unofficial fiscal notes.

### Unofficial Fiscal Note

An unofficial fiscal note is requested and prepared on draft language for a bill that has not been introduced. An unofficial note may be requested by or on behalf of any member of the legislature. Completed unofficial fiscal notes are public data.

## **Classified Unofficial Fiscal Notes**

A classified unofficial fiscal note is requested and prepared on draft language that has not been introduced or made publicly available and is accompanied by a directive from the requester that the data be classified. A classified unofficial fiscal note may be requested by, or on behalf of, any member of the legislature. In accordance with [Minnesota Statutes 2025, section 13.64](#), subdivision 3, a classified unofficial fiscal note is considered private data on individuals or non-public data, provided that the data are accessible to and may be disclosed by the requester.

Classified unofficial fiscal notes are made public if:

- They are disclosed by the requester
- The identical language used for the classified unofficial fiscal note request is used in an introduced bill or any legislation, including an amendment, or a proposed bill
- Any member of the legislature offers the identical language for consideration by a legislative committee

The LBO does not publish classified unofficial fiscal notes that become publicly available but will provide copies upon request. See page 22 for additional information on the classified unofficial fiscal note process.

## **Companion Fiscal Notes**

Companion bills are two bills, one introduced in the Senate and the other in the House, which are administratively linked by the Revisor for purposes of bicameral bill management and coordination. The FNTS allows the LBO to join fiscal note requests for companion bills so that agencies only need to enter their information into the system once. If a chamber requests a fiscal note on a bill and the companion bill already has a fiscal note, the new request can be identified and linked as a companion note in the FNTS at the time of assignment. In addition to populating agency entries in both fiscal note requests, the FNTS synchronizes the agency and LBO analyst signs off on companion fiscal notes. When a fiscal note request is linked after the companion fiscal note is completed, the FNTS completes the later-fiscal note request automatically.

The FNTS only allows fiscal note requests to be linked on companion bills upon introduction or version 0, and the LBO will only link them if the bills' language is identical. Companion notes cannot be linked after the bills have been amended, even if the amended language is identical.

## **Fiscal Note Process**

1. A fiscal note request is made through the FNTS. The requester must establish a due date and provide the bill language for unIntroduced legislation. The due date reflects the date the fiscal note is to be submitted to the legislature.
2. The LBO receives the request through the FNTS. The LBO coordinator reviews the language and assigns agencies to complete a fiscal note.

3. The assigned agency fiscal note coordinators receive an email notification of the request. Each agency fiscal note coordinator then reviews the bill language and makes internal assignments to analyze the potential impact to the agency.
4. The agency analyzes the bill to assess the impact to the agency including estimated costs or savings, changes in revenue, associated technology costs, long-term considerations, and additional staff time or resources required to implement the proposed bill and prepares a draft estimate. The agency lists all assumptions used to create the fiscal note and identifies any potential local impact.
5. The agency's completed fiscal note estimate is entered into the FNTS and the appropriate agency user signs off on the fiscal note. To allow time for LBO review, the agency should submit the fiscal note at least 24 hours in advance of the due date for single agency fiscal notes or 48 hours in advance for consolidated fiscal notes.
6. The FNTS notifies the LBO analyst via email when an assigned agency completes a fiscal note. The LBO analyst reviews the assigned agency's fiscal notes to ensure compliance with the USP. All fiscal notes are reviewed for accuracy, objectivity, and reasonableness.

The LBO analyst may request additional information or clarification from the agency if the standards are not met. An agency may edit its fiscal note in the FNTS with updated data so that it complies with the USP.

The LBO analyst signs off on the fiscal note in the FNTS when the fiscal note complies with the USP. For consolidated notes, after each assigned agency has submitted its fiscal note to the LBO and the corresponding LBO analyst has signed off on each individual note, the lead LBO analyst reviews and signs off on the consolidated fiscal note.

7. The FNTS emails completed regular or unofficial fiscal notes to the:
  - Requester
  - LBO analyst
  - Agency fiscal coordinator
  - Agency email notification recipients
  - Committee fiscal analyst
  - Executive budget officer (EBO) at Minnesota Management and Budget (MMB)
  - Author
  - Committee chair, and
  - Other individuals on the committee email distribution list

For classified unofficial fiscal notes, the email notification is limited to the requester, LBO analysts, and agency fiscal note coordinator.

8. Regular and unofficial fiscal notes can be viewed on the [public fiscal note search webpage](#) within 24 hours of completion. Regular and unofficial fiscal notes from

past legislative sessions including special sessions are also available on this site. Classified unofficial fiscal notes are not available to the public.

9. Fiscal notes are based on the bill language at the time of the request. Bill language changes may affect the fiscal note estimate. To update the fiscal note, the requester must submit a new request using the new bill language.

For detailed instructions on navigating the FNTS, see Chapter 5 of this User Guide.

# Chapter 1: Fiscal Note Example

The following fiscal note is an example of fiscal note best practices. The note serves as an example but does not address every possible scenario and level of detail that should be included under every circumstance. To complete the fiscal note accurately and completely, the entire User Guide and USP should be reviewed and applied. The fiscal note example is divided into four sections, which are explained more fully below.

The first section of a fiscal note includes the following five elements:

1. Fiscal Note Heading
2. Fiscal Impact Indicator Checkboxes
3. State Cost (Savings) Table
4. Full Time Equivalent (FTE) Positions Table
5. Legislative Budget Office Analyst Signoff

The second section of a fiscal note provides further detail into the revenue and cost estimates in a table format. The State Cost (Savings) Calculation Details Table provides totals by fund for the following items:

1. Expenditures
2. Absorbed Costs
3. Transfers Out
4. Revenues
5. Transfers In

The third section of a fiscal note provides context, rationale, and detail to support the fiscal estimates provided in the fiscal note. The six supporting narrative sections appear in the following order:

1. Bill Description
2. Assumptions
3. Expenditure and/or Revenue Formula
4. Long-Term Fiscal Considerations
5. Local Fiscal Impact
6. References/Sources

The bill description and assumptions are required on each fiscal note. The bill description should include references to the applicable bill sections that have a fiscal impact on the agency. The assumptions should provide sufficient detail to support the fiscal estimates included in the Expenditure and/or Revenue Formula section.

The Expenditure and/or Revenue Formula section should provide calculations that support the numbers on the tables in sections 1 and 2 of the fiscal note. The Expenditure and/or Revenue Formula section should include details on salary, fringe, supplies and travel, and IT services or equipment for FTEs. These details should be displayed separately. Tables and formulas used with proper detail should be provided, where possible.

Long-Term Fiscal Considerations, Local Fiscal Impact, and References/Sources appear at the end of the fiscal note. They should be included whenever applicable to the estimate.

The fourth section of a fiscal note lists the following information:

1. Agency Contact – who to contact with questions about the agency’s fiscal note
2. Agency Fiscal Note Coordinator information

For more information and a discussion on the best practices for each element of a fiscal note, please refer to Chapter 2 of this User Guide.

# Sample Fiscal Note

## Section 1

**HF999 – 1E – Agricultural Tax Credit Program**

**2023-2024 Legislative Session**

Chief Author: **Jane Smith**

Committee: **Agriculture Finance**

Date Completed: **3/3/2023 12:00:00 PM**

Agency: **Agriculture Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue	X	
Information Technology	X	
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.

Reductions shown in the parentheses.

State Cost (Savings)		Biennium1		Biennium2	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	89	48	48	48
Total	-	89	48	48	48
Biennial Total			137		96

Full Time Equivalent Positions (FTE)		Biennium1		Biennium2	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	.5	.5	.5	.5
Total	-	.5	.5	.5	.5

### LBO Analyst's Comments

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: John Doe  
Phone: 651-284-5555

Date: 3/3/2023 12:00:00 PM  
Email: John.Doe@lbo.mn.gov

## Section 2

### State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative.

Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		Biennium1		Biennium1	Biennium2	Biennium2
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund		-	88.5	48	48	48
	Total	-	88.5	48	48	48
	Biennium Total			136.5		96
<b>1 – Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund		-	89	48	48	48
	Total	-	89	48	48	48
	Biennial Total			137		96
<b>2 – Revenues, Transfers In*</b>						
General Fund		-	-	-	-	-
	Total	-	-	-	-	-
	Biennial Total			-		-

## Section 3

### Bill Description

This bill establishes a tax incentive program for beginning farmers, as well as those selling or leasing farming land or assets to beginning farmers.

Section 1, subdivision 2 of the bill will allow a credit against the tax due under Chapter 290 for the sale or rental of "Agricultural Assets" to a beginning farmer.

Section 1, subdivision 3 of the bill provides a tax credit for beginning farmers who are taking approved farm financial management programs according to section 41B.0391, subdivision 3. This credit is equal to 100 percent of the cost of participating in the program.

Section 1 of the bill also directs the Rural Finance Authority (RFA) to certify the following: the validity of the beginning farmer designation; the validity of the rental agreement; the validity of agricultural assets eligible for tax credit; the validity of the educational program merits and qualifications based upon the statute. The RFA shall also provide beginning farmers with necessary and reasonable assistance and support for qualification and participation in approved financial management programs and refer beginning farmers to agencies and organizations that may provide additional information and assistance.

Section 2 of the bill directs the RFA to share verification information with the Department of Revenue (DOR). This information includes any of the following that have been deemed valid: beginning farmers' names; rental agreements, sale agreements and assets sold, and the names of beginning farmers enrolled in the approved financial management programs. It also requires that the RFA verify the terms of the approved application, including information on the terms of the sale or rental agreement, or cost of financial management courses.

### Assumptions

#### Certification Process

There are currently four financial management programs for farmers. The RFA has to certify each of these programs once. The RFA estimates that the certification process for these four programs will take approximately 16 hours. This impact is immaterial and RFA staff could handle the educational certification processing.

## Section 3 (continued)

It is assumed that a significant number of applications for the Beginning Farmer Tax Credit would be received. Preliminary estimates based on experience in Iowa indicate that approximately 370 applications might be received per year. To address this workload, additional staffing would need to be added.

Agency staff would review applicable information such as ownership records, tax returns, financial records, and educational transcripts to determine whether the farmer in question meets the parameters of the program as outlined in the bill. It is assumed that the review process will take approximately 2.75 hours per application. Considering there are likely 370 applications, at 2.75 hours each, the hours of added work are approximately 1,018. Additionally, staff will have to enter this information into the database to share with the Department of Revenue, which will require a few minutes per application. We assume this will add 5 minutes to each application review, or 31 hours. Based on this increased workload, we will require .50 FTE, as 1.0 FTE = 2,080 hours. Additional staff costs will be ongoing.

### IT Development Process

The RFA will need to create an electronic verification form for approved applications and update their database for sharing this information with the DOR. This work will require IT system updates and changes that allow the RFA to share information with outside agencies. It will also require one-time testing.

The RFA has had similar IT work done in order to share database information with other agencies. Previously this work required 180 hours of contractor work, at a rate of \$275/hour. In total the system updates and testing are expected to cost \$49,500 for one-time costs in the first year, with subsequent years costing \$8,800 in ongoing costs for continued maintenance. Maintenance is calculated at a rate of up to 20% of original development costs and does not include system testing expenses.

### Expenditure and/or Revenue Formula

370 applications x 2.75 hours – 1,018 hours  
 1,018 hours/2,080 (1.0 FTE hours) = .49 FTE  
 370 applications x 5 minutes = 1,850 minutes or 31 hours  
 1,018 hours + 31 hours = 1,049 hours  
 1,049 hours/2,080 (1.0 FTE hours) = .50 FTE

Initial Program Development and Administration	FY23	FY24	FY25	FY26	FY27
Salary (0.5 FTE State Program Administrator Sr. 10L Step 5)		\$26,000	\$26,000	\$26,000	\$26,000
Fringe (13.5% plus insurance)		\$9,000	\$9,000	\$9,000	\$9,000
Centralized IT Services (service and equipment)		\$1,500	\$1,500	\$1,500	\$1,500
Office Supplies and Travel		\$2,500	\$2,500	\$2,500	\$2,500
IT System Updates (one-time and ongoing)		\$44,000	\$8,800	\$8,800	\$8,800
IT System Testing (one-time only)		\$5,500			
Total Cost:		\$88,500	\$47,800	\$47,800	\$47,800

Tax implications would be estimated by the Department of Revenue.

### Long-Term Fiscal Considerations

Ongoing and annual system support is necessary to accommodate future maintenance and is calculated at up to 20% of original development costs.

### Local Fiscal Impact

The bill does not have a local fiscal impact.

### References/Sources

Current MN Statutes, Chapters 41B, 275 and 290.

State of Iowa Department of Agriculture website and staff were also consulted due to a similar program run in their state.

## Section 4

**Agency Contact:** Jane Doe (651-201-5555)

**Agency Fiscal Note Coordinator Signature:** John Smith

**Phone:** 651-201-3333

**Date:** 3/1/2023 6:00:00 PM

**Email:** Mary.Anderson@state.mn.us

## Chapter 2: Components and Best Practices

This chapter outlines the components of and best practices for fiscal notes. Appendix B provides a sample checklist used by LBO analysts when reviewing agency notes.

### Objectivity

The fiscal note must be written objectively without any reference to the merit of the proposed legislation. An agency shall not comment on whether it is in favor of or opposed to the bill. The fiscal note must be created using the potential fiscal impact to the agency based on the language of the bill.

The fiscal note may comment on mechanical or technical defects of the bill as they apply to the assessment of the fiscal impact. An agency may use the assumptions section of the fiscal note to communicate concerns or barriers to fully implement a bill based on mechanical or technical issues identified with the bill language.

### Plain Language

The agency must explain assumptions and program impacts through the narrative portion of the fiscal note. Each agency should try to use plain language throughout the fiscal note to communicate clearly, allowing readers to understand the content.

Principles of plain language include:

- Using lists and bullet points, when possible, for easy reading
- Stating explicitly what an abbreviation stands for when using it for the first time in a document
- Focusing on what is most important for the reader to understand
- Using short blocks of text for easy reading
- Being direct and simple

Additional plain language guidelines can be found on the [Federal Plain Language Guidelines Webpage](#).

### Budgetary Policy and Instructions

Agencies must consider budgetary policy and instructions for each biennium, issued by MMB, when completing fiscal notes. All fiscal impacts on a fiscal note should be consistent with these policies.

### Fiscal Note Format

Fiscal notes follow the format listed below. Each agency assigned to the note must complete the checkboxes, tables, and supporting narrative sections. In addition to this information from individual agencies, consolidated notes, which are notes assigned to multiple agencies, contain cover pages that summarize the total fiscal impact to the state budget for all agencies.

# Components of a Fiscal Note

## Fiscal Impact Checkboxes

Fiscal impact checkboxes exist for each of the following categories: State Expenditures, Fee or Departmental Earnings, Tax Revenue, Information Technology, and Local Fiscal Impact. Thresholds and instructions for each are noted below.

### 1. State Expenditures

*Does this bill have an impact on the state budget or agency's spending?*

- The agency must check "Yes" in this box when the proposed bill will result in the agency incurring additional costs or savings to existing costs.
- A central service agency responding on behalf of multiple agencies must check "Yes" in this box if those agencies would have additional costs because of this bill.
- The agency must check "Yes" in the expenditures box if the costs are absorbed.
- The fiscal note narrative must include detail and explanation of the fiscal impact indicated by the checked "Yes" box, including any formula used to calculate the expenditures/savings.

### 2. Fee/Departmental Earnings

*Does this bill impact an agency fee or departmental earning? Will the bill result in any non-tax revenue to the agency?*

- The agency must check "Yes" in this box when implementing a bill impacts a service charge, license fee, regulatory fee, or other charges imposed by or pursuant to state law.
- The fiscal note narrative must include detail and explanation of the fiscal impact indicated by the checked "Yes" box, including any formula used to calculate these revenues, assumptions about who will pay, and the costs to be recovered.

### 3. Tax Revenue

*Does this bill impact State Tax Revenues?*

- The agency must check "Yes" in this box when implementing a bill impacts state tax revenue.
- The fiscal note narrative must include detail and explanation of the tax impact indicated by the checked "Yes" box, including assumptions, formulas, or equations used to calculate the fiscal impact, if known. Revenue analyses completed by the Minnesota Department of Revenue (DOR) should serve as the source for this data. The LBO will include a comment to clarify if tax revenue impacts are included in the fiscal note.

#### 4. Information Technology

*Does this bill impact the agency's information technology (IT) systems?*

- The agency must check "Yes" in this box when implementing a bill impacts information technology systems in the agency.
- The fiscal note narrative must include detail and explanation of the IT impact, including which systems are impacted, staffing implications, hardware costs, software costs, and the formula or equation used to calculate the impact indicated by the checked "Yes" box.
- The fiscal note must be reviewed by the agency's Chief Business Technology Officer (CBTO) or their designee when the "Yes" box is checked. This review must happen prior to the agency signoff for review by the LBO. Checking "Yes" in this box serves as confirmation that the CBTO/designee review has occurred.

#### 5. Local Fiscal Impact

*Does this bill have an impact on a unit of local government, such as cities, counties, townships, or school districts?*

- The agency must check "Yes" in this box when implementing a bill impacts a local unit of government.
- The fiscal note narrative must include a description and, when feasible, an estimate of the amount of fiscal impact indicated by the checked "Yes" box. The local impact section of the supporting narrative must be completed as thoroughly as possible.

### **Tables**

The agency must provide a detailed explanation of all numbers represented in the tables listed below, on the cover page of the fiscal note, and in the fiscal note narrative sections. All estimated numbers included in the tables must be designated by fund.

#### **State Cost (Savings) Table**

This table summarizes all data entered in the State Cost (Savings) Calculation Details Table. It summarizes the bill's net impact by fund to state government across all agencies assigned to a consolidated fiscal note.

#### **Full Time Equivalent Positions (FTE)**

Staffing level impacts are reflected on fiscal notes in the form of full time equivalent (FTE) positions to the hundredth of a position. Each fiscal year of the table must reflect differences from current law. If the bill requires three FTE in the first year, with two additional FTE in the second year, the table should show three FTE in the first year and five FTE in the second year. Documentation of FTE impact must be included in the fiscal note Expenditures section of the table and contain the calculated FTE change and the dollar amount cost of that change. The FTE table on the cover page of the fiscal note reflects the total FTE impact of the proposed legislation.

## State Cost (Savings) Calculation Details Table

This table breaks down the total fiscal impact of the legislation by fund and classifies the impacts in categories of expenditures, absorbed costs, transfers, and revenues. All numbers included in this table are also included in the State Cost (Savings) table. The parts of this table, and best practices for how to complete them, include:

### Expenditures:

An expenditure on a fiscal note must be estimated by fund. Justification and explanation of each expenditure must be included in the fiscal note assumptions section. Direct impacts of the bill must be included. Secondary impacts of the bill may only be discussed in the narrative sections but cannot be included in the table. A fiscal note shall not include inflationary increases, except in cases of bill language directing an agency to include inflationary increases or involving a forecasted program that includes an inflationary factor.

### Absorbed Costs:

An agency can show the ability to absorb the costs of a bill on a fiscal note. All costs must be calculated in full and shown on the fiscal note, regardless of ability or intention to absorb them. The agency must indicate its ability to absorb the costs by reporting them in the State Cost (Savings) Calculation Details Table as absorbed. All absorbed costs must be accompanied by an explanation and justification within the Assumptions section of the fiscal note.

### Transfers Out:

Both the transfer out and transfer in must be reported on the fiscal note when a bill causes an impact to a transfer between funds. The transfer out and transfer in must be reported in equal amounts, such that no net effect is realized. Transfer impacts must be accompanied by an explanation and justification within the fiscal note Assumptions section.

### Revenues:

A revenue change is reported in this table when a bill causes an impact to agency revenues. Revenue types in this table include fees, departmental earnings, federal reimbursements, or other forms of non-tax earnings.

For most fiscal notes, an agency shall not include tax revenue in this table. Tax revenue estimates calculated by the DOR via revenue analyses may be included on the note for a bill which has a completed revenue estimate when the information is essential in understanding the impacts of the proposed language. An agency must include a comment in the fiscal note Assumptions section if there is an impact on tax revenues, but the agency shall not include tax revenue in the table without an official revenue estimate from the Tax Research Division at the DOR. Any revenue that is reported on the table must be accompanied by an explanation and justification in the Assumptions section of the fiscal note.

### Transfers In:

Both the transfer in and transfer out must be reported on the fiscal note when a bill causes an impact to a transfer between funds. The transfer in and transfer out must be reported in equal amounts, such that no net effect is realized. Transfer

impacts must be accompanied by an explanation and justification within the fiscal note Assumptions section.

## **Supporting Narrative**

In addition to completing the tables, the agency must also complete the following six sections: Bill Description, Assumptions, Expenditure and/or Revenue Formula, Long-Term Fiscal Considerations, Local Fiscal Impact, and References/Sources. These sections provide a narrative to explain the fiscal impacts of the bill clearly and thoroughly.

## **Bill Description**

The agency must describe the provisions of the bill in sufficient detail. The agency should identify the sections of the bill that have a fiscal impact on the agency. The Bill Description must include detail about appropriations and budgetary programs the bill impacts.

If a fiscal note request is made on a portion of proposed legislation such as an article, section, or subdivision, the Bill Description section should clearly state the portions of the bill requested and only describe those portions that have a fiscal impact on the agency. In this instance, the LBO analyst approving the fiscal note will leave an LBO comment upon signoff to indicate that the request was only on a portion of the bill.

## **Assumptions**

The agency must use the Assumptions section of the fiscal note to explain in detail the foundation for the fiscal impact. This section must clearly state the basis of the estimates and provide as much detail as necessary to understand the entire fiscal note. The Assumptions section must justify all estimates included in the fiscal note tables. The Assumptions section must include enough detail that a person could understand the fiscal impact reported on the note without knowledge of the bill or the agency's programs. All methodologies must be explained. Each agency on a consolidated fiscal note should work with the assigned LBO analyst to coordinate assumptions with all agencies assigned to the fiscal note.

The Assumptions section should take into account any language in the bill about the effective date, and if not mentioned in the bill, agencies should use [Minnesota Statutes 2025, section 645.02](#) to guide their assumptions as to the effective date.

If the bill language is particularly complicated or unclear, making it difficult for the agency to develop reasonable assumptions, the agency should contact the LBO analyst and the requester to determine the appropriate steps to take to obtain clarification of the bill language. The agency may indicate technical or mechanical defects of the bill language, such as drafting errors, conflicts with existing statute, or undefined terms in the Assumptions section.

If an agency determines that a bill, or section of a bill, cannot be implemented due to federal laws, rules, or regulations, the agency must still complete the fiscal note. The assumptions section of the fiscal note must explain the implementation concerns identified by the agency. The fiscal note cost and savings tables should include the fiscal effects for the portions of the bill that the agency can implement. In this instance,

the LBO analyst approving the fiscal note will leave an LBO comment upon signoff indicating that the bill or a portion of the bill is not implementable.

Technical comments related to potential litigation challenging the legal validity of a bill can be included in the fiscal note narrative but cannot be included in the estimated costs included in the fiscal note expenditure tables.

The fiscal note Assumptions section should adhere to the following best practices to address all included items on a fiscal note:

### **Expenditures:**

The agency must explain why the bill language will result in additional costs or savings. The explanation must detail how the costs reported on the note are necessary and reasonable to implement the language in the bill. The agency must state whether the cost or savings is one-time or ongoing. One-time costs may include the build-out costs to equip a new office and the development, modification, and testing costs for information technology systems. Ongoing costs may include salary and fringe for hiring permanent staff, information technology support and maintenance, and basic office supplies. The expenditure narrative must fully explain how the assumptions have translated into the fiscal impact of the bill and detail the reason for any changes between fiscal years or biennia.

### **FTEs:**

The agency should provide information about the classification and rate of salary for positions impacted by the bill, with projections for each year reflecting changes from current law. The agency should calculate and identify separately all fringe costs and any other costs associated with FTEs. Agencies should calculate FTEs using total working hours between 2,080 and 2,096. Independent contractors should not be included in FTE counts. The agency should provide a brief description of the duties and responsibilities associated with each FTE classification.

The agency must explain all differences between biennia or fiscal years. Agencies can account for the anticipated total compensation increases for FTEs in the second year of the first biennium. To account for this compensation, increase and difference, the cost may be higher in year two than in year one. However, annual costs for an individual FTE in the second biennium must be consistent with FTE costs for the final year of the first biennium. Fringe benefit and insurance cost estimates can be found on [MMB's Cost Projections](#).

### **Indirect Costs:**

The agency must list indirect costs separately from direct costs in a table or in a formula. The agency must justify the inclusion of indirect costs in a fiscal estimate. If indirect costs impact multiple funds, each impact must be explained in the narrative of the fiscal note.

### **Absorbed Costs:**

The agency can show the ability to absorb the costs of a bill. All costs must be calculated in full and shown on the fiscal note, regardless of ability or intention to absorb them. The agency must indicate its ability to absorb the costs by reporting

them in the Calculation Details table as absorbed. All absorbed costs must be accompanied by an explanation and justification within the Assumptions section of the fiscal note.

The agency must not absorb the costs if they:

- Are non-operational in nature, such as money for grants
- Displace other functions of the agency
- Are associated with forecasted programs
- Are being absorbed based solely on bill language that requires an agency to absorb costs associated with the bill
- Are being absorbed based on an agency's position on a bill

If an agency is absorbing the costs associated with an FTE, the agency must include that FTE in the total reported on the FTE table.

### **Revenue:**

The agency must explain why the bill language will result in revenue to the agency. The agency must explain in detail the rate at which fees will be assessed and/or departmental-earning programs will be taken up. The agency must also note whether the revenue is one-time or ongoing. The agency may note the tax impact of a bill in the fiscal note Assumptions section if a revenue analysis has been completed for the bill by the DOR. The agency must cite the Tax Research Division at the DOR as the source of this information.

### **Information Technology (IT) Costs:**

When a bill involves IT-related costs, agencies should consider separately showing costs associated with hardware/infrastructure, software, IT staffing, business staffing, and contracts. Agencies should indicate if the IT-related costs are associated with a modification to an existing system or the development of a new system. For new system development, agencies must identify whether the system would be commercial-off-the-shelf or custom developed. Implementation costs should be separated from ongoing maintenance and support costs.

### **Expenditure and/or Revenue Formula:**

The agency must provide the detailed formula used to determine the final costs listed on the fiscal note. The agency must include an explanation of the formula used, including the assumptions contributing to the calculated estimate. The formula may be displayed in a table, as an equation, or in another format, provided that sufficient detail and explanation are included. The agency must explain all units used in the formula and make clear how the assumptions inform the formula used to calculate the expenditure or revenue impact of the bill. In addition, for FTE costs, the agency must break costs down, separating salary from benefits and detailing other costs, such as supplies, equipment, travel, etc., as appropriate. A table displaying the types of impacts with the fiscal cost estimates by fiscal year, as displayed in the fiscal note example in Chapter 1, is helpful to clearly define the timing and magnitude of the expenditure impacts.

## **Long-Term Fiscal Considerations:**

The agency must detail and explain any fiscal impact beyond the years that are included on the cover page of the fiscal note. The agency must provide detailed information about whether the costs within the four-year period on the note will continue at the same rate or change over time, especially changes due to phased-in revenues or expenditures, or sun-setting of activities. The agency must include any long-term implications of the legislation as well, including implications of the bill on federal or other funding. The agency shall not include costs from the Long-Term Fiscal Considerations section that are expected to occur beyond the budget years identified on the cover of the fiscal note in any tables.

If there are significant costs that will occur in the years beyond the fiscal note table, the LBO analyst approving the fiscal note will leave an LBO comment directing readers to the Long-Term Fiscal Considerations section.

## **Local Impact:**

The agency must explain in detail any fiscal impact, including to the local property tax rate, the bill has on a local government unit and the type and magnitude of that impact. The agency must identify which units will be impacted (cities, counties, townships, school districts) and the duration (one-time, ongoing, long-term) of the fiscal impact. The agency must distinguish between program mandates (proposals that would expand, reduce, or alter local government functions or services) and non-program mandates (proposals which apply equally to existing requirements, such as elections, public meeting requirements, data collection, tax collection, or procurement procedures) when applicable.

The agency should consult with local government entities when possible and provide any estimates and assumptions received from those organizations on the fiscal note. A list of these organizations is available in Appendix B.

## **References/Sources:**

The agency must identify the source from which data for the fiscal note was obtained. The source can include agencies, entities from other states that were consulted for information on a similar program, research articles or academic literature, program staff, administrative data, or other sources. All sources and work papers must be retained after completion of the fiscal note in compliance with each agency's data retention schedule.

## Chapter 3: Beyond the Basics

This chapter addresses circumstances that an agency may encounter when preparing a fiscal note that goes beyond what is addressed in Chapter 2, Components and Best Practices. Because this chapter may not be exhaustive of every circumstance that could happen, an agency may always consult with the appropriate LBO analyst to help address other scenarios.

### Using a Range of Fiscal Impact in the Narrative

There may be circumstances when it is useful for an agency to show a range of fiscal impacts in a fiscal note. When an agency is considering using a range of fiscal impacts in a fiscal note, the agency should contact their LBO analyst. If a range of fiscal impacts is used, the LBO analyst will leave an LBO comment upon signoff to indicate that a range of impacts was used and to direct the reader to the narrative for more details.

When using a range of fiscal impacts, the agency should state in the Assumptions section that they are showing a range of fiscal impacts. The agency should explain why they provided a range of fiscal impacts. In the Expenditures and/or Revenue section, the agency should provide details on how they developed their methodology and range of fiscal impacts.

The agency should select a number from their range of fiscal impacts to input into the State Costs (Savings) table.

The agency may use a range of fiscal impacts for fiscal notes with:

- Hard to estimate take-up rates
- Hard to estimate compliance rates
- A bill that provides multiple options to achieve the desired outcome
- IT costs that may be hard to predict (off-the-shelf, custom built, or vendor development/implementation)

An example of using a range of fiscal impacts is shown below. This example is based on HF599-0 and SF78-0 “Legislative Budget Office Creation” from the 2017-2018 session.

### Fiscal Note Range of Outcomes Example:

#### Expenditure and/or Revenue Formula

Table 3-1 shows the contract cost for MMB/MNIT to host and maintain the FNTS. This cost has been entered in the fiscal note as the most likely scenario.

*Table 3-1 - Cost of MMB/MN.IT Hosting & Maintaining the FNTS*

<b>Expense Description</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
MNIT FNTS Technical Support, Database Administration, Maintenance & Web Services	45,000	45,000	45,000	45,000
MNIT Annual Server Support Services, Backup and Storage Fees	9,000	9,000	9,000	9,000

MMB Budget Planning & Operations FNTS Support, Training and Technical Assistance Services	15,000	15,000	15,000	15,000
<b>Total MMB/MNIT Contract Cost for Host/Maintaining FNTS</b>	<b>69,000</b>	<b>69,000</b>	<b>69,000</b>	<b>69,000</b>

For discussion purposes, the cost of the FNTS to be transferred by MMB/MNIT to the LCC/LBO for hosting and maintaining is shown in Table 3-2. This would be an alternative to having the FNTS hosted and maintained by MMB/MNIT. These costs have not been included in the fiscal note tables.

*Table 3-2 - Cost of LCC/LBO Hosting and Maintaining the FNTS*

<b>Expense Description</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
Contracted System Support	115,000	21,000	21,000	21,000
Hardware	14,000	4,000	4,000	4,000
MNIT Tech Support with Transfer of FNTS	45,000	0	0	0
Consultants	150,000	50,000	50,000	50,000
LBO Tech Service Specialist (.5 FTE)	57,000	57,000	57,000	57,000
<b>Total Cost for LCC/LBO Hosting &amp; Maintaining FNTS</b>	<b>381,000</b>	<b>132,000</b>	<b>132,000</b>	<b>132,000</b>

## Constitutional Amendments

The LBO assigns fiscal notes on constitutional amendments to the Secretary of State as the lead agency and to each agency impacted by the amendment. The Secretary of State must only include the costs of adding the question to the ballot in the fiscal note tables. Agencies assigned to the fiscal note may include potential impacts if the amendment were to pass within the narrative sections of the fiscal note. Potential impacts should be presented in a table under the Expenditures and/or Revenue Formula section but not entered on the main fiscal note tables.

## Bills Involving Pensions

The agency must use the standard fiscal note format when completing fiscal notes on pension bills. The agency must only include data on the tables that reflect the bill's direct impact on the state budget. The agency must explain the long-term implications of the bill in the Long-Term Fiscal Considerations section of the fiscal note, particularly how the bill affects unfunded liabilities. The agency must also discuss the effect on actuarial required contributions in the narrative. The agency must present this information as a table within the Expenditure and/or Revenue Formula section. The agency must discuss the impacts of pension bills to local governments in the Local Impact section and must include actual estimates if they are available.

Impact section and must include actual estimates if they are available.

## **Fiscal Note Impact That Leads to Insufficient Fund Balance or Cash Flow Issues**

In cases where a fund is projected to have a deficit as a result of proposed legislation or if there are other funding availability or cash flow concerns, the responding entity should not assume another funding source unless the LBO has provided specific guidance. Rather, the entity should state in the fiscal note narrative the issue with the fund impacted by the proposed legislation. Since the fiscal note tables do not show fund balances, the fiscal note tables should reflect the full estimated impact to that fund and should not be limited to the projected amount of funds available in that fund. In these circumstances, agencies should consult with the LBO and MMB on the best way to address the situation.

## **Expansion of Activity of Current Programs**

If a bill proposes an expansion of a program currently occurring, the fiscal note should assume the current funding source for the same or new related activity or program, unless otherwise stated in the bill language. If the funding source is not identified in the bill language and this activity does not currently exist, the fiscal note should assume general fund. If there are questions regarding the funding source, please consult with your LBO analyst and the EBO of your agency.

## **Bills Containing an Appropriation**

The agency must complete the fiscal note estimate regardless of an appropriation amount being included in the bill language. The agency must reference the amount in the fiscal note Bill Description section but shall not assume that the dollar amount stated in the bill represents the fiscal impact of the bill. The fiscal impact of the bill should align with the fiscal note assumptions that describe the fiscal impact estimates by fiscal year.

If a bill appropriates money for a grant in the language of the bill, the agency should include the grant funding as well as any associated administrative costs in the table on the fiscal note. The grant administrative costs may be included within or in addition to the grant funding amount based upon how the bill language is written or the existing applicable statute. If the bill language is silent on administrative costs, and there is not an existing applicable statute, the fiscal note assumptions should clearly articulate if the administrative costs are within or in addition to the grant funds appropriated. This should be based upon agency cost estimates in compliance with existing statutes, grant management policy, and grant management best practices.

When a bill's future base funding for grant appropriations is adjusted by a percentage equal to the 12-month percentage change in the Consumer Price Index, agencies should reference the percentage used in MMB's most recent forecast data when estimating the fiscal impact.

## **No Fiscal Impact**

If assigned, an agency must complete a fiscal note. If an agency believes they should be removed from a fiscal note because they have no impact, they should contact the LBO. The LBO will review the bill and assigned agencies and determine whether it is appropriate to remove the agency.

If it is determined the agency has no fiscal impact, but should still be assigned, the agency must complete the note stating there is no fiscal impact, explaining how that was determined. The agency must also check “No” for all the Fiscal Impact Indicators.

## **Contingency Bills**

A contingency bill provides funding to continue operations in the event legislation is not enacted by July 1 of an odd number year. The agency must:

- Not reflect costs in the table unless there are new costs to the state
- Discuss existing costs in the narrative of the fiscal note
- Reflect cost estimates in bi-weekly amounts
- Consult their Continuity of Operations Plan or Shutdown Planning Documentation
- Ensure the bill contains appropriation language or work with the bill author to ensure legal authority exists for funds to be available to support the activities of the bill
- Consider central service agency work that may be necessary to support the bill (ex: payroll, accounting, technology support). The agency must contact the LBO at [lbo@lbo.mn.gov](mailto:lbo@lbo.mn.gov) if an impacted central service agency is not included on the fiscal note

## **Central Service Agency Responds on Behalf of Enterprise**

The LBO may assign central service agencies to create a fiscal note on behalf of multiple agencies. The central service agency should work with each impacted agency to develop and review assumptions and formulas used in the fiscal note. The agency must follow the instructions found in the “Fiscal Impact Cannot Be Determined” section of this chapter in cases where it is apparent there is a fiscal impact, but the impact cannot be estimated.

## **Fiscal Impact Cannot be Determined**

The agency may find that the fiscal impact of a bill cannot be determined in extremely rare cases.

When a fiscal impact cannot be determined, the agency must:

- Contact their LBO analyst to discuss
- Check the “Yes” in the Expenditure checkbox
- Exhaust all available resources when attempting to estimate a fiscal impact
- Indicate the funds impacted
- Explain in the assumptions why the estimate cannot be provided, the specific factors involved, and relevant information about potential impacts

If the above conditions are met, when approving the fiscal note for which the fiscal impact cannot be determined, the LBO analyst approving the fiscal note will leave an LBO comment upon signoff indicating that there is a fiscal impact, but that it cannot be determined, and directing the reader to the narrative section for more information.

If the agency is faced with multiple scenarios that make it hard to provide an estimate, they should refer to the Using a Range of Fiscal Impacts in the narrative section in Chapter 3 of the User Guide.

## Rulemaking

Depending on the size of the agency and other circumstances, the rulemaking process may vary considerably. The [Minnesota Department of Health's Rulemaking Manual cost estimates](#) includes broad considerations for programs that go through the rulemaking process. However, due to the variance in experiences, an agency should use this information as a rough framework for beginning analysis and instead rely on program-specific circumstances to inform the final fiscal note estimate.

Agencies should also ensure that they are using the correct hourly rate for Administrative Law Judge time at the Minnesota Court of Administrative Hearings (CAH) and any legal services at the Attorney General's Office (AGO). The rates for 2026 are as follows:

- For CAH, the rate is \$270 per hour.
- For AGO, the rate is \$178 per hour for attorneys and \$114 per hour for non-attorneys

## Classified Unofficial Fiscal Notes

Classified unofficial fiscal notes follow a process similar to all other fiscal notes. However, there are three additional steps in the classified unofficial fiscal note process.

1. When a fiscal analyst receives a request for a classified unofficial fiscal note, they should advise the member of the following:
  - a. MMB issued a memo to executive branch agencies instructing agencies to share classified unofficial fiscal note information with MMB and, while the Fiscal Note USP does not allow for this, it is possible agencies share the information.
  - b. If the identical language is later offered for consideration by the legislature, the note becomes public data. The LBO will process requests for copies of a classified fiscal note if the note is now public data or will process new requests for regular fiscal notes on the language that has been offered for consideration.
  - c. For language to be considered identical, the public language must be the same as the language used in the classified fiscal note request.
  - d. The LBO recommends that if the language used in a classified fiscal note is subsequently offered for consideration, a regular fiscal note should be requested at that time, so the most updated and complete information on the fiscal impact can be made available.
2. Upon receipt of a classified unofficial fiscal note request, the LBO coordinator will assign the note to the agencies impacted by the proposed language and will enter a message in the FNTS stating:

“This is a classified unofficial fiscal note request. Agencies must ensure that they are in compliance with Minnesota Statutes 2025, section 13.64,

subdivision 3 and the Fiscal Note Uniform Standards and Procedures, when preparing this fiscal note.”

3. During the LBO approval process, the LBO analyst(s) will include a comment, which will appear on the cover page of the fiscal note, stating:

“This is a classified unofficial fiscal note request. If identical language to that which the classified fiscal note was based upon is made available for consideration by the legislature, the fiscal note is considered public data. The LBO will process requests for copies of the classified fiscal note if the note is considered public data, and/or will process new requests for a regular fiscal note on the introduced language. If the language is offered for consideration by the legislature, it is recommended that a new request for a regular fiscal note be made so that the most updated and complete information on the fiscal effect can be made available.”

If identical language to that used in a classified fiscal note becomes public (introduced, discussed at committee, etc.) the note is no longer classified as private data on the individual or nonpublic data under Minnesota Statutes 2025, section 13.64. The LBO does not publish classified fiscal notes once they become public data. However, the LBO will provide copies of a classified fiscal note when requested if it has become public data.

## **Revised Fiscal Notes**

There may be circumstances under which a fiscal note could be made more accurate after the LBO has signed off (i.e., an agency may receive new information that changes the numbers on the fiscal note or an error was discovered). Under these circumstances, the chair of the committee to which the bill has been referred, the bill’s author, a fiscal analyst, the LBO, or the agency may identify the need to consider a revision to the fiscal note. When a fiscal note is revised, agencies should:

- Indicate the note has been revised by stating at the beginning of the Assumptions section that the note is revised
- State in the Assumptions section why the note is revised
- Indicate what has changed from the original version of the fiscal note

The LBO will maintain a copy of the original note, with an indication that it has been revised, on the LBO website, and will publish the revised note within 24 hours of completion.

When approving a revised fiscal note, the LBO analyst will leave an LBO comment indicating which agency’s note has been revised and what has changed on the note from the originally approved version.

## **Creating a Fiscal Note for a New Entity**

When a bill proposes to create a new entity, the LBO will assign the most knowledgeable or similarly positioned agency to complete the fiscal note on behalf of the new entity. Based on input from stakeholders, if there is not an existing agency well positioned to prepare the note for the new entity, the LBO may prepare the note.

When the LBO prepares a fiscal note for a new entity, it will:

- Assign the preparation of the fiscal note to an LBO analyst
- Assign LBO review and signoff responsibilities for the fiscal note for the new entity to the LBO Director or Deputy Director
- Ensure the staff assigned to the lead agency, who is therefore responsible for final LBO signoff, is not the staff who prepares the fiscal note for the new entity

## **Fiscal Notes with Revenue Impacts**

Although estimated tax revenue impacts are not typically included in fiscal notes, the estimated impacts from a tax revenue analysis may need to be incorporated into complex or unique fiscal notes when it is deemed essential to convey the full fiscal impact of a bill. This situation is most likely to occur when dedicated tax revenue is used to support appropriations intended to cover costs resulting from the bill language. Unlike general fund appropriations, appropriations that are linked to specific, dedicated revenue sources typically sustain the account or fund balances needed to carry out the intended uses of the dedicated receipts.

Because this situation is less common, the LBO analyst may need to identify when a revenue analysis is determined to be essential to convey the fiscal impact of a bill. In these instances, the LBO analyst will work with assigned agencies to incorporate revenue analysis into the fiscal note and coordinate across agencies to ensure that agency fiscal note tables are aligned and that agencies understand the bill's financing structure. If a revenue analysis is incorporated in a fiscal note, the LBO analyst will leave a comment upon signoff indicating fiscal note tables include estimated tax revenue, provide context if necessary, and provide a link to the corresponding revenue analysis on the DOR Tax Research Division website.

An example of this from the 2023 regular session is HF2000-0. In this bill, proposed regulatory fee and sports wagering tax revenue were deposited into an account in the Special Revenue Fund (SRF). This account was, in part, intended to cover DOR and Department of Public Safety (DPS) administrative costs, thus linking appropriations at those agencies to specific, dedicated revenue sources. The corresponding revenue analysis was incorporated into the fiscal note tables to demonstrate the overall fiscal impact of the bill while allowing agencies to address cash flow and/or revenue shortfall concerns. In the case of the sports wagering example referenced, general fund appropriations were assumed when estimated SRF dedicated receipts were insufficient to cover the initial costs resulting from the bill.

## Chapter 4: Common Fiscal Note Errors

This chapter addresses some of the common errors on fiscal notes. Any of the errors described below would not comply with the Fiscal Note USP. These errors would result in the LBO analyst requiring the agency to make corrections before signoff by the LBO.

### Secondary Impacts

Fiscal note tables should not include secondary impacts. The agency may discuss secondary impacts in the Assumptions section. The agency must identify secondary impacts as such when they are included in the narrative.

Secondary impacts are costs, savings, or revenue generation that do not result directly from the implementation of the bill. Examples of secondary impacts include:

- Return-on-investment analysis
- Macro-level economic effects such as expected changes to the unemployment rate due to the implementation of a new program proposed in a bill
- Impacts that are substantially removed from the original implementation of a bill. These impacts require some level of assumed outcome that the LBO deems unreasonable to estimate.

#### Secondary Impact Examples:

**Example 1:** A bill requires all young children to be immunized at a cost to the state of \$1 per child. The agency must include only the total cost of providing the immunization for each child in the fiscal note tables. The possible reduction in future state expenditures for health care due to improved health outcomes is considered a secondary impact.

**Example 2:** A bill proposes the building of a new sports facility with a portion of the funding of the project coming from public dollars. The agency must include only the cost of building the stadium and any targeted non-tax revenue generation associated with the project. Any projected increased hiring or new tourism dollars being brought into the state because of the project is considered a secondary impact.

### No Fiscal Impact, Immaterial Fiscal Impact, and Absorbed Costs

A common error is stating “no fiscal impact” when an agency means that they can absorb the costs of the bill. The agency must check “No” for all the fiscal impact checkboxes if the proposed legislation has no fiscal impact on the agency or a local government unit. The agency must explain in detail the assumptions leading to a “no fiscal impact” response.

The agency may absorb the workload and associated costs resulting from legislation in some cases. The agency must check “Yes” for the fiscal impact checkbox and show the costs of the legislation, even on fiscal notes for legislative language that explicitly require an agency to absorb the costs of implementing the legislation within existing funding. The agency must indicate if they are able to absorb costs and the amount that

can be absorbed by fund. The agency shall not absorb costs solely based on language in the bill stating that costs must be absorbed. The agency must discuss any activities that will be displaced because of absorbing the costs in the fiscal note Assumptions section. The agency must not absorb costs associated with forecast programs.

The agency must support its ability to absorb costs with analysis clearly explaining why the costs will be absorbed. The agency must consider whether the costs are being absorbed based on a fair analysis of the impact (not because the agency supports the bill). The agency should consider whether it can create consistent thresholds for activities that can be absorbed.

The agency may encounter legislative language for which an agency will incur a cost that is small enough to be considered immaterial and therefore can be absorbed. The agency must explain this in full in the narrative portion of the fiscal note and should not include the number on the table. A total cost below \$2,000 may be considered immaterial by an agency.

immaterial by an agency.

## **Showing Expenditures for Salary and Benefits with No FTE Impacts**

The agency must state the assumptions regarding the salary levels of new FTEs being requested in the fiscal note Assumptions section if the proposed legislation will result in an FTE impact. The corresponding FTE impact from the narrative must be included in the FTE table.

## **Showing Expenditures for Salaries with No Benefits**

The agency must include expenditures for salaries and benefits if the proposed legislation will result in an FTE impact. The agency must identify assumptions separately for fringe costs, associated supplies, and related expenses.

## **Fiscal Impact Listed in Dollars Instead of Thousands of Dollars**

The fiscal note tables are in thousands of dollars. Agencies should use caution and ensure that they are entering their total expenditures or revenues in the proper format to avoid misrepresenting the magnitude of the impact.

## **Understanding the Use of Parentheses**

### **Cover Page and Summary Tables (Surrounded by bold outline)**

The cover page of a fiscal note, whether a consolidated note or a single agency note, includes a table that summarizes the overall fiscal impact to the state. An increase in overall cost, where expenditures and transfers out are greater than revenues and transfers in, is shown as a positive number. A decrease in overall cost, where revenues and transfers in are greater than expenditures and transfers out, is shown in parentheses. An increase in total FTE is shown as a positive number and a decrease is shown in parentheses.

*Table 4-1 – Parentheses on the cover page table*

<b>If showing a(n)</b>	<b>Then</b>	<b>Ex. Fund</b>	<b>Amount</b>
Cost Increase	No parentheses	General Fund	750
Cost Decrease	Use parentheses	General Fund	(750)
FTE Increase	No parentheses	General Fund	5
FTE Decrease	Use parentheses	General Fund	(5)

### **State Cost (Savings) Calculation Details Tables**

Parentheses in the State Cost (Savings) Calculation Details table show a decrease but can feel counterintuitive at first glance when comparing it to the main summary table. For example, the details table will show a decrease in revenue in parentheses. Taken entirely on its own, this decrease in revenue would be summarized on the main table as an increase in overall cost and would therefore not be shown in parentheses.

### **Transfers In and Out**

Transfers between funds or agencies are shown on the calculation details tables. The transfer amount must result in no overall change in cost or savings to the state, though transfers likely result in an overall cost or savings to a particular fund or agency. A transfer out from one fund must be matched by an equal transfer into another fund.

### **Transfers Out**

A positive number indicates an increase in transfers out. A number in parentheses indicates a decrease in transfers out.

### **Transfers In**

A positive number indicates an increase in transfers in. A number in parentheses indicates a decrease in transfers in.

Example: The Department of Natural Resources (DNR) will be increasing a transfer out from their agency to the Department of Agriculture (MDA). The DNR will show a transfer out as a positive number and the MDA will show a transfer in as an equal, positive number. The opposite is true when the transfer amount is decreasing.

*Table 4-2 – Showing an Increase in Transfers*

<b>Agency</b>	<b>Transfer Type</b>	<b>Amount</b>
Department of Natural Resources	Transfer Out	24
Department of Agriculture	Transfer In	24

*Table 4-3 – Showing a Decrease in Transfers*

<b>Agency</b>	<b>Transfer Type</b>	<b>Amount</b>
Department of Natural Resources	Transfer Out	(61)
Department of Agriculture	Transfer In	(61)

## Narrative Data Mismatch with Tables

The figures entered in the table must be consistent with the numbers and calculations in the narrative portion of the fiscal note. Differences due to rounding are acceptable but should be explained.

Example:

General Fund: \$1,520 (thousands)

Assumptions: Our agency will require a total of ten new employees to administer this program at a cost of \$125,000 per employee.

LBO Analysis:  $10 \times \$125,000 = \$1,250,000$  The agency transposed the digits when entering their cost into the spreadsheet.

## Inconsistent Assumptions Between Agencies on Consolidated Note

Assumptions must be consistent across agencies assigned to a consolidated fiscal note. The lead agency must work with the LBO and all other assigned agencies during the development stages of the fiscal note to ensure that the assumptions will be consistent. Common errors on consolidated fiscal notes include duplicating costs or revenues; not covering the cost of a new commission or advisory council; different workload numbers; and differing assumptions regarding staffing or participation rates. In rare situations where agencies have reasonable explanations for why they are using different assumptions, the assumptions and reasons for the differing assumptions must be clearly identified in the narrative. If the reasons for differing assumptions are approved by the LBO, the lead LBO analyst will leave an LBO comment upon approval of the fiscal note directing the reader to the inconsistent assumptions within the consolidated fiscal note.

## Lack of Plain Language: Abbreviations, Jargon, and Passive Voice

Fiscal note narratives should be written for a general audience using plain language because fiscal note readers may not be familiar with details of agency programs and operations.

Agencies should use an active voice, rather than passive voice. Active voice makes it clear who is performing an action. In an active sentence, the actor comes first, then the verb, then the object being acted upon. In a passive sentence, the object that is acted upon is the subject of the sentence and comes before the verb and actor. Below is a comparison of active and passive voice.

*Table 4-4 – Active Voice*

Voice	Sentence Structure	Example
Active	Actor – Verb – Direct Object	The Department of Human Services proposed new regulations.
Passive	Direct Object – Verb – Actor	New regulations were proposed by the Department of Human Services.

Minimize the use of acronyms and abbreviations. Abbreviations and acronyms should be defined when used for the first time in a fiscal note. Once defined, the abbreviation or acronym can be used throughout the rest of the note.

Example: Department of Natural Resources (DNR) responsibilities will include registrations, inspections, escapes, compliance and enforcement actions, Chronic Wasting Disease (CWD) testing, and program management and administration.

Avoid jargon whenever possible. Jargon is unnecessarily complicated language that often leads to misunderstanding or confusion. The LBO recognizes that some details of a bill or explanation will require the use of technical or scientific terminology. However, the agency should use plain language instead of jargon as often as possible.

## **Biased Language**

Do not use biased language in the fiscal notes. The agency may comment on technical or mechanical defects of the bill but must not include opinions regarding the merits of the bill.

Appropriate: The bill includes a cross-reference to Minnesota Statutes 2024, section 290.03, but we believe the author intended to cross-reference Minnesota Statutes 2023, section 290A.03, as the language of the bill is making a change to the property tax refund, not individual income tax.

Appropriate: There is an error with the calculation of the new tax credit. The tax credit is meant to plateau for a certain range of income and then increase again once that range of income is exceeded. The current bill language creates a dip in the credit amount at the end of the plateau. If this is not intended, the language should be adjusted to correct this.

Inappropriate: This bill creates a service that our government should not provide.

Inappropriate: The bill gives responsibility for this program to Agency A, but our agency is better positioned to administer this program.

## **Formatting Errors**

Fiscal notes should use plain, black, readable text in consistent font and sizes. There should be no colored text or highlighting, and agencies should work to ensure that all tables and texts are visible within the margins of the fiscal note. Further formatting guidance is provided in Chapter 5 of this document, and agencies should contact the LBO for assistance with formatting when necessary.

# Chapter 5: Using the Fiscal Note Tracking System (FNTS)

Information in this chapter is divided into five sections:

1. All Users – information for all FNTS users
2. Legislative Users – information for users who request fiscal notes
3. Agency Users – information for users who enter fiscal note data and sign off for agencies
4. LBO Analysts – information for analysts who review and approve fiscal notes
5. MMB EBOs – information for MMB EBOs who monitor fiscal notes for their assigned agencies

Please read the “All Users” section and then skip to the information for your role.

## All Users

The Fiscal Note Tracking System (FNTS) is a web-based system with role-based functions to securely store and manage fiscal note requests and agency responses. The FNTS sends emails to update users. Only those who have a specific role related to requesting, preparing, or reviewing/analyzing fiscal notes will be granted access to the FNTS.

## Access policy

Users submit a request to the LBO to be granted access to the FNTS. The LBO will approve users with the role appropriate for their position (see Table 1). Users will only see the functions associated with their role in the system.

*Table 5-1. Fiscal Note Tracking System User Roles*

<b>FNTS Roles</b>
<b>Legislative User</b> – Fiscal analysts who enter requests on behalf of committee chairs and authors authorized by statute to request fiscal notes.
<b>Agency</b> – Agency staff entering their agency’s fiscal note data in the system (does not include signoff capability).
<b>Agency Signoff</b> – Agency staff responsible to approve fiscal notes for their agency.
<b>EBO</b> – MMB staff who review preliminary and completed regular and unofficial fiscal notes.
<b>LBO Analyst</b> – LBO staff responsible to review and approve fiscal notes.
<b>Admin</b> – LBO staff responsible for assigning fiscal notes and overseeing operation of the FNTS.

Note: An agency fiscal note coordinator is not granted access to the FNTS unless they also request the agency signoff or agency role. Otherwise, agency fiscal note coordinators only receive emails about fiscal notes assigned to their agency. This is the case for boards and agencies receiving fiscal note support from the Department of Administration’s Small Agency Resource Team (SmART).

## Requesting FNTS Access

1. Agency fiscal note coordinators use the [System User Authorization Form](#), available on the LBO website, and follow the instructions on the form to request

user access to the FNTS. If a user does not have an 8-digit Employee ID, a user ID will be provided to them.

2. An email from the LBO coordinator will confirm access to the new users.

## Logging in to the FNTS

1. Use Google Chrome or Edge to log in to the FNTS.
  - a. Note: If opening two instances of the FNTS, use different browsers for each instance. Using the same browser may cause you to overwrite onto other fiscal note records and lose information.
2. The FNTS is accessed through the [Administrative Portal](#). The Administrative Portal looks very similar to Employee Self Service, but it *is* different. Use the same ID and password used in Employee Self Service.
  - a. Users who do not have an 8-digit Employee ID will be issued an ID and a temporary password. You must choose a new password when you first log in with your temporary password.
  - b. Note: Set up a password hint when you change your password.
3. Passwords expire every 60 days. See [Statewide Systems Password Information](#). You will receive a reminder pop-up about upcoming required password changes through the Administrative Portal. Note: For help with password resets, contact the [SWIFTHelpDesk.MMB@state.mn.us](mailto:SWIFTHelpDesk.MMB@state.mn.us) or call the SWIFT Help Desk at 651-201-8100, option 2.
4. From the Administrative Portal Homepage, select the Budget Applications tile. On the Budget Applications Homepage, select the Fiscal Note Tracking System tile to open your FNTS session.
5. The Administrative Portal will time out inactive users. When the Administrative Portal session expires, you can return to the Portal login screen to start a new session.
6. Once you have opened the FNTS from the Portal, you will receive a pop-up warning from the FNTS before its session closes and returns to the FNTS login screen. You can either log in from the FNTS homepage or return to the Administrative Portal tab if your session is still active and select the FNTS tile to open a new session.
7. For any other help with access to the FNTS, contact the LBO coordinator at [lbo@lbo.mn.gov](mailto:lbo@lbo.mn.gov), (651) 297-7146.

## FNTS Announcements and Maintenance

System announcements appear on the home screen and are updated as necessary.

System scheduled maintenance occurs every Sunday morning between 6:00 a.m. and 2:00 p.m. The system may be unavailable to users during maintenance. If maintenance that requires the system to be unavailable is scheduled for other times, an announcement will be added, and if possible, users will be notified in advance by email.

Updates to this User Guide will be made as necessary and the updated version announced in the system announcements and posted on the LBO website and linked within the FNTS.

## **FNTS Session Time Limit**

Security standards limit FNTS work sessions to 15 minutes. After 14 minutes (whether you are actively using the system or the system is open and sitting idle), a pop-up warning will appear on the FNTS screen. If you do not choose the continue button in the pop-up before the 15 minutes are up, the session will close and return you to the FNTS login screen. You must log in again to open another 15-minute session or return to the Portal. If the Portal session has not expired, simply select the FNTS tile. Choosing a new item from the left menu pane also resets the session timer.

On some screens, entry data not saved must be re-entered whether you choose “continue” or the session times out. For agency users entering fiscal note data on the prepare screen, choosing “continue” saves your entered data, even if you have not used the save button yet. If the session times out, the system will also save your entries on the prepare screen. After you log in again, you can continue entry in a new session.

## Navigating in the FNTS

See figures below:

- A. User status information shows in the red bar near the top. There is a logout button on the right side.
- B. The left menu pane lists functions available for your role. Functions common to all roles include Search, Directories, Reports, and Help.
- C. Navigation breadcrumbs indicate your location in the FNTS.
- D. Content and entry fields in the main pane change depending on the function chosen and your role.
- E. Command buttons available for your role are near the bottom of the main pane.

Figure 5-1 – Fiscal Note Tracking System Search Screen

The screenshot displays the Fiscal Note Tracking System Search Screen. At the top, a red navigation bar contains user information (User, ID, Role) and a Logout button. A blue sidebar on the left lists navigation options: Home, Search, Directories (Agency Coordinators, House and Senate Members, Legislative Committees), Reports, My Email Preferences, Help, Uniform Standards, User Guide, FNTS User Authorization Form, FNTS Worksheets, Fund Directory, and Training Videos. The main content area is titled 'Search' and features a grid of input fields for filtering search results. Fields include Bill Number, Version, Assigned Date From, Assigned Date to, Agency (Select (99)...), Agency Contact, Agency Status (Select (5)...), LBO Analyst (Select (14)...), Requester (Select (26)...), Author (Select (171)...), and Committee (Select (41)...). Other fields include Session (2025-26), Urgent (Select...), Due Date From, Due Date To, Note Status (Select (6)...), Note Type (Select (3)...), and Note Title. There are also checkboxes for 'LBO Action Required' and 'Show All Assigned Agencies'. At the bottom of the search area, there are 'Search' and 'Cancel' buttons.

**Note:** Use the tab key or your mouse, not the enter key, to move from field to field in the FNTS.

Figure 5-2 – Fiscal Note Status Details Screen

▼ Fiscal Note Status Details

Bill Number:	SF553-0	Comp Bill:	HF949
Title:	Watercraft Operator Permit, Safety Program	Requester:	Dan Mueller
Note Type:	Regular Fiscal Note	Req Committee:	Legacy and Natural Resources
Note Status:	Complete	Request Date:	1/21/2023 12:55:59 PM
Author:	Kelly Morrison	Retrieval Date:	1/21/2023 12:59:50 PM
Analyst:	Dan Mueller	Assign Date:	1/21/2023 1:00:58 PM
Agency:	Natural Resources Dept - R29 (Lead)	Due Date:	2/1/2023
Agency Status:	LBO Signed Off	Complete Date:	1/30/2023 1:32:48 PM
Agency Contact:	Rodmen Smith	Prev Bill Nbr:	
FN Coordinator:	Tyler Tegatz	Prev Session Year:	
Agency Signoff:	Tyler Tegatz	Suggested Agency Assignment:	
LBO Analyst:	Jim Carlson		
Lead LBO Analyst:	Jim Carlson		

**Agency Assignments**

Agency Nbr	Agency Name	Lead	Agency Status	LBO Approve	Agency Signoff Name	Agency Signoff Date	LBO Signoff Name	LBO Signoff Date
P07	Public Safety Dept	<input type="radio"/>	LBO Signed Off	Y	Mickelson	1/27/2023 10:20:46 AM	Cecko	1/27/2023 12:17:31 PM
R29	Natural Resources Dept	<input checked="" type="radio"/>	LBO Signed Off	Y	Tegatz	1/25/2023 12:12:33 PM	Carlson	1/26/2023 9:11:51 AM

**Attachments**

No attachments found.

**Message History**

No messages found.

Print Message History

**Note:** Some status details displayed will change depending on which assigned agency is highlighted under Agency Assignments.

## Checking the Status or Searching for a Fiscal Note in the FNTS

1. Use the **Search** function on the menu pane.
2. The session defaults to the current legislative session. Use the drop-down to choose a different session. The FNTS data for previous legislative sessions is read-only.
3. Enter the information in the appropriate fields to retrieve a list for any of the search parameters listed. Using more fields narrows the search results.
4. You can also use the check boxes, alone or along with the search fields, to narrow the focus of your search. Check boxes vary depending on the user's role in the system, for example, the Agency and Agency Signoff user roles have a checkbox for "agency action required" that when checked will retrieve a list of all fiscal notes assigned to the user's agency that are in Draft of Preliminary status.
5. The search results can be sorted by selecting the heading in each column.
6. Select a search result by choosing the bill number or title. This opens the status details for the selected fiscal note and the appropriate command buttons for the login user's role and agency assignment and the fiscal note's status.

Each fiscal note has both an agency status and a note status.

*Table 5-2 – Fiscal Note Status Categories*

Agency Status	Note Status	Notes
Legislative Request	Legislative Request	New request: agencies have not yet been assigned. Only viewable by Requester and LBO Admin users responsible for assigning agencies.
Agency Draft	In Process	Viewable only to assigned agencies.
Preliminary Data	In Process	Optional status an agency can select prior to agency signoff. For regular and unofficial fiscal notes, a fiscal note in Preliminary status is available to all FNTS users. For classified unofficial requests, a note in Preliminary status is only available to view by the Requester, Agency Signoff role users of the agencies assigned to the fiscal note, and LBO analysts.
Agency Signed Off	Waiting for LBO Sign Off	Viewable by any user assigned to the note (more restricted for classified notes).
LBO Signed Off	Complete *	Viewable by any user (more restricted for classified notes).
LBO Signed for Agency	Complete *	Used only on rare occasions when requested by the agency.
(Status when request was inactivated)	Inactive	Used when a requested fiscal note is no longer needed.

\* If more than one agency is assigned and each agency's LBO analyst has signed off on its fiscal note, the Note Status will be "Waiting for Lead LBO Sign off." After the lead LBO analyst has signed off on the consolidated note, the note status changes to complete.

**Note:** If a completed fiscal note is subsequently revised, the completed status is removed, the information is updated, reviewed, and the agency and LBO analyst signoffs are completed again for agencies whose notes are changed. The revision will

be indicated by a “Yes” in the Revised column on the search results screen and in the header of the fiscal note PDF.

## Searching for Completed Fiscal Notes

Note: Use the [Fiscal Note Search](#) on the LBO website, not the search function in the FNTS, to search for completed notes from previous sessions. Using the FNTS to access notes that were completed prior to the 2020 Session may result in labeling errors due to the transition of fiscal note oversight from MMB to the LBO.

## Revising a Fiscal Note

The requester, an assigned agency, or the LBO may request a revised fiscal note if an error is found, or new information becomes available that would impact the estimate. To request a revision, contact the LBO analyst who signed off on the fiscal note or the FNTS admin at [fn@lbo.mn.gov](mailto:fn@lbo.mn.gov). After the appropriate signoffs have been removed and a message with the revision information added, the note may be revised. Email notifications will be sent to those affected.

## Viewing a Note in Progress

The FNTS will offer the options appropriate for your role to view or print a fiscal note.

1. Fiscal notes in agency draft status are only viewable by the agency assigned.
2. To view a note in preliminary status, use the “View” button.
3. For consolidated fiscal notes, use the “View Consolidated” button to see all agencies’ notes that are in preliminary or signed off status. Highlight the agency in the Agency Assignments section of the screen and choose “View” for an individual agency fiscal note in preliminary or signed off status.

Note: Only the requester, assigned agency users with signoff authority, LBO analysts, and LBO administrator roles can view a classified note.

## Printing a Fiscal Note in Progress

The FNTS will offer the options appropriate for your role to view or print a fiscal note.

1. Use the command buttons at the bottom of the screen to view an individual agency fiscal note or the consolidated fiscal note.
2. Use the print icon on the fiscal note PDF (upper right corner) to print the fiscal note.

## Printing Message History

Use the “Print Message History” button to print a copy of all messages associated with a fiscal note request.

## Using FNTS Reports

Reports can help you track bills and manage your work in the FNTS.

Reports available for your role will be listed in the menu pane.

Select the report and parameters.

Note: Most reports will not include classified unofficial fiscal notes. The report that includes classified unofficial fiscal notes requested by you or assigned to your agency

will not include any classified fiscal notes not requested by you or not assigned to your agency.

Choose the **Create PDF Report** or **Create Excel Report** button.

Note: The options (PDF or Excel) vary based on the report. Not all reports have both options.

## Getting Help Using the FNTS

1. If you cannot find the answer to your FNTS question in this guide, email [lbo@lbo.mn.gov](mailto:lbo@lbo.mn.gov). Include “FNTS” in the subject line.
2. For questions or help concerning fiscal note policy issues or help with issues related to a specific fiscal note request, contact the LBO analyst assigned to the request.

## FNTS Email Notifications

The FNTS uses a series of emails to keep users updated. The emails you receive are determined by your FNTS role and the type of fiscal note request. See Appendix A for a complete list of FNTS email notifications.

## Logging out of the FNTS

Choose **Logout** along the right edge of the user status bar or close the program.

## Legislative Users

### Requesting a fiscal note

1. Information you will need:
  - Chamber: Senate or House
  - Fiscal note type (regular, unofficial, or classified)
  - Bill Number for regular fiscal note requests (include HF or SF and the 4-digit bill number)
  - Bill version, include the number and designation:
    - 0 – Introduction
    - #A – Amendments
    - #E - Engrossments
    - #UE – Unofficial Engrossments
    - #CE – Committee Engrossments

Note: For House Division Engrossments, please use the Committee Engrossment designation (CE) and attach the language of the division engrossment to the request.

- Bill author unless it is a classified fiscal note request. You may also choose unknown as an option.
- Due date
  - The FNTS defaults to 8 business days. A due date of four or fewer business days is flagged as urgent.
- Committee requesting the fiscal note (unless classified)
- List of agencies you suggest respond to the fiscal note request (optional)
- Bill number and session year of previous fiscal notes on this topic (optional)
- Attachments if required: PDF of unintroduced bill or amendment language

- Use bill number and version for amendment language PDF when you attach the file.
- **Note:** The FNTS will not accept PDF titles that use spaces or are not saved on your computer.
- **Message:** Any other important information, such as:
  - Hearing date
  - The portions of the bill to use if the note is not requested for entire bill
  - How this request differs from an earlier request for the same bill (optional)

**Note:** The FNTS will let you know if a fiscal note has already been requested for the bill number and version you enter. If you request a fiscal note for an amendment on an active fiscal note request, the FNTS will ask if you want to inactivate the prior request, but only if you requested the prior fiscal note. A fiscal note can only be inactivated by the user who requested it.

2. Choose the **Request** function from the menu pane.
3. Enter the information: required fields have an \* in front of the field name.
4. For unIntroduced legislative language (unofficial or classified unofficial fiscal note requests), a bill number and version 0 are assigned by the FNTS.
  - a. You must attach the unIntroduced or amendment language.
    - i. Select “Choose File” in the Attachment History section
    - ii. Select the file from your computer and select “Upload”

**Note:** If you do not attach the bill language, the fiscal note cannot be assigned. The FNTS will send hourly reminder emails to the requester until the language is attached.

5. Add a message, if desired:
  - Type your message in the Message History field.
  - Proofread your message—once saved, messages cannot be edited or deleted.
  - Save the message by choosing the “Add to Msg List” button.
6. Select “Save” to complete the request.

## Modifying a Request

The modification options available to a requester depend on the fiscal note’s current note status. The note status indicates the fiscal note’s stage of completion in the workflow.

1. Search for the note using the **Search** function in the menu pane. If the request has not yet been assigned, it will have the note status of “Legislative Request” in the Search results; select the Request function to make modifications. After it is assigned, use the **Search** function to modify the request up until the fiscal note has been completed.

*Table 5-3 – Modify Request Actions Available by Fiscal Note Status*

<b>Fiscal Note Status</b>	<b>FNTS Screen/Command Icons, Button</b>	<b>Fields Requester can Modify</b>
Legislative Request (before it's retrieved)	Request/Edit, Delete	All fields except bill number, version, and note type. The request can be deleted if no longer needed.
Legislative Request (after it's retrieved)	Request/ Edit	Author Committee Due Date Add a message Suggest Agencies Note other fiscal notes on the topic Add an attachment
In Process, Waiting for LBO Sign off, or Waiting for Lead LBO Sign off	Search/ Modify	Author Committee Due Date Add a message
In Process, Waiting for LBO Sign off, or Waiting for Lead LBO Sign off	Search/ Inactivate	Make Inactive
Inactive	Search/ Reactivate	Make Active

2. Select “Save” after making your request modifications.

**Note:** A fiscal note request may not be deleted after it has been retrieved by the LBO. To delete a retrieved request, contact the LBO coordinator.

### **Searching for an Incomplete Fiscal Note Request**

Use the **Request** function on the menu pane to see a list of the fiscal notes you have requested that remain unassigned.

### **Inactivating a Request**

If a fiscal note request is assigned, but is no longer needed, choose the “Inactivate” button at the bottom of the fiscal note’s status details screen. The FNTS will send an email notification to the appropriate parties. Only the requester can inactivate a request.

### **Reactivating a Request**

If an inactivated request needs to be reactivated, choose the “Activate” button at the bottom of the screen. Only the requester can activate an inactive note.

### **Committee Email Notifications**

Legislative users are responsible for maintaining the committee email notification list for the committees they work with. When legislative users are added to the FNTS, the committees they work with are associated with their role. Committee fiscal analysts are the only legislative users who may delete names from a committee email notification list.

All legislative users can add themselves to any committee email notification list, House or Senate.

1. Use the **Committee Email Notification** function under the Maintenance heading on the menu pane.
2. Add an email address to your assigned committee(s) list(s) by choosing the “Add” link; select the Chamber and Committee Name from the dropdowns and type the email address in the box. Select “Save.”
3. Delete email addresses by using the delete icon and confirming the selection.

## Agency Users

### Preparing (Entering) your Agency’s Response to a Fiscal Note Request

Information you will need:

- Worksheets and draft documents
  - Use the worksheets available on the [LBO website](#) or develop and use your own worksheet
  - Use an .rtf file extension for your worksheet to minimize the code that will need to be removed in the FNTS text boxes
  - Keep your worksheets and draft documents for reference (follow your agency’s retention schedule)
- Four-digit codes for funds associated with expenditures and revenues
  - [Fund Directory](#) (available on the LBO website and on the FNTS)
- Information from [MMB Cost Projections Update](#)
- Information from the FNTS message for the request and any attached bill language
- Your agency’s bill description and assumptions
  - Include, if applicable, any identified technical or mechanical defects at the end of your agency’s assumptions

Note: House Division Engrossments will use the CE designation and attach the language of the division engrossment to the request.

### Entering the information in the FNTS

1. Highlight your agency on the list of assigned agencies by selecting the agency code in the list of assigned agencies.
2. Select the “Prepare” button.
3. Use the “Copy from existing note” checkbox at the top of the screen if there is an existing fiscal note you would like to start with or begin entering data in the fields.
4. **Section 1, Fiscal Note Header**: Add agency contact information for the fiscal note.
5. **Section 2, Fiscal Impact**: Select the appropriate boxes.
  - a. If you choose “Yes” for any of the fiscal impact sections, explain the impact in the assumptions.
  - b. If your agency has no fiscal impact from the proposed legislation, choose the “No Impact” checkbox, and skip to the narrative section.
    - i. Enter your agency’s Bill Description
    - ii. Explain why there is no impact in the Assumptions text box
6. **Section 3, Expenditures, Absorbed Costs, and Transfers Out**: If applicable, enter the data from your worksheet.

- a. Absorbed costs should be entered as a positive number. The FNTS will turn it into a negative number in the tables.
- b. Negative numbers are entered with a minus sign. The FNTS will display the number in parentheses.

Note: Section 3 and 4 entries represent thousands. (Example: if your cost is \$2,000, enter 2.)

7. **Section 4, Revenues and Transfers In:** If applicable, enter the data from your worksheet.
8. **Section 6, Full Time Equivalent Positions (FTE):** If applicable, add FTE data. Do this any time salary expenditures are included.
  - a. FTE entries:
    - i. Can be positive or negative.
    - ii. Must use the same funds as those used in Section 3.
    - iii. Can be whole numbers or decimals with up to 2 places. Amounts less than one must be entered with a preceding zero (example: 0.08).
9. Select the “Open Narratives” button at the bottom of the tables. Enter the information from your worksheet in the appropriate text boxes.
  - a. Enter “N/A” in any text box not applicable to your agency’s response.

## Formatting Tips

- Charts, images, or graphics are not supported by the FNTS. The FNTS will not save them if entered in the narrative text boxes.
- Hidden coding incorporated from text copied from sources like email, OneNote, a PDF, Microsoft Teams or websites can cause formatting problems and prevent some or all text from appearing in the narrative section. If you are sent text to use from a non-Word document, try copying it to your desktop Notepad and then copying it into your worksheet to remove the coding. One clue you have hidden coding is if when using the “show/hide¶” command button” on your Word Ribbon, you see a tiny circle. The example below shows the tiny circle at the beginning of both sentences that were copied from an email:

¶Links to the two House live video streaming feeds (*HTV1* and *HTV2*) are included here and on the streaming video schedule page. ¶All programming is archived. ¶

- Text from Microsoft Word can be copied into the narrative text boxes. (Use Ctrl + C, Ctrl + V).
- To create space between paragraphs, set up your document with paragraph spacing in the Word Ribbon, rather than “entering” blank lines.
- Use the following settings in your Microsoft Word or Excel documents to make copying and pasting easier:

*Table 5-4 – Formatting Standards for Narrative Text Boxes*

Setting Type	Setting
Margins (left and right)	.08”
Text font	Arial, size 9 pt
Table font	Arial, size 7.5 pt
Paragraph Spacing	After: 9 pt

## Table Tips

- Use the formatting icons in the text box to format your data
- Do not indent, tab, use the spacebar at the beginning of a cell entry, or include blank cells
- Keep your tables short—break up long tables into workable sections
- Do not merge cells or leave individual cells, entire columns, or rows blank
- Tables from Microsoft Word and Excel can be copied into the narrative text boxes. (Use Ctrl + C, Ctrl + V)
- Using the AutoFit command button on the Word Ribbon under the Table Layout tab may help if you have trouble with a wide table running off the right side of the page
- If copying a table from Microsoft Word, include a return after the table and copy the table and the return
- If you have trouble with table formatting in the text boxes, use Ctrl+A to select all the contents in the text box, and delete everything before revising and copying in again, following the tips above
- Important: Do not use the backspace key to try and remove a table from a text box. If you do, follow the tip above to delete the contents of the text box before pasting in the text box contents again

## Bulleted and numbered lists

If copying the lists from a Word document, save the document as .rtf first.

Alternatively, copy the text without the bullets or numbering, and use the icon in the text box to add the formatting after you copy it. This tends to produce the formatting closest to that in a Word document.

If you need to edit the entries in your lists, it will work best if you edit in your worksheet and replace the text in the text box with the edited list.

## Help with text box entries

If you need help formatting text or tables in the FNTS, please email your fiscal note worksheet with a brief description of the issue to [lbo@lbo.mn.gov](mailto:lbo@lbo.mn.gov).

Always check your entry, by choosing the “View” buttons at the bottom of the screen to view the PDF version of the fiscal note you just entered. Formatting may change when it is converted to a PDF.

When you finish entering the data, choose the “Save” button. Save often throughout the preparation of your note.

If you would like to ask your LBO analyst to review your agency response before signing off, choose the “Email LBO for pre-signoff review” button. Otherwise, have an authorized user with signoff access choose “Sign Off” from the status details or prepare screen.

## Modifying your response

### Before signing off:

Information entered and saved in the FNTS can be modified before signing off by choosing the “Prepare” button and entering or changing information. When done, choose “Save” again.

### After signing off, before LBO review is complete:

Information entered and saved in the FNTS can be modified after signing off by contacting the LBO analyst to let them know there are changes and choosing the “Remove Signoff” button and entering or changing information. When done, choose “Save” again. If you are ready to sign off, choose “Sign Off” and follow the screen prompts.

### After signing off, after LBO review is complete:

Contact your LBO analyst, discuss what needs to be modified, and request the LBO analyst remove their signoff. Then follow the instructions above for modifying your response before LBO review.

## Adding Names to your Agency Email Notification list

Individuals added to the agency email list are copied on emails sent to your agency (except classified unofficial fiscal notes). These recipients do not have access to the FNTS.

Each agency fiscal note coordinator is responsible for maintaining their agency’s email notification list. If the fiscal note coordinator does not have access to the FNTS, an agency user with access should be designated by the fiscal note coordinator to update the agency email notification list.

Note: LBO analysts and MMB EBOs should not be deleted from the agency email notification list.

To add or delete users to receive agency email notifications:

1. Choose “Agency Email Notification” under Maintenance in the menu pane.
2. Select your agency in the dropdown list.
3. The existing list will display.
  - a. Delete by choosing the delete icon and confirming.
  - b. Add an existing FNTS user by entering the email address and selecting save.
  - c. Add a non-user by entering the email address under “Non-user Email” and choosing “save.”

## Updating your Agency’s Authorized Users

Before the session begins, the LBO will send fiscal note coordinators a list to reauthorize access to the FNTS. Updates at other times can be initiated by emailing the [LBO coordinator \(lbo@lbo.mn.gov\)](mailto:lbo@lbo.mn.gov).

## **LBO Analysts**

### **Adding your name to Agency Email Notification Lists**

Your name will be automatically added to the agency email notification list for your assigned agencies. If you would like to be on the agency email list for other agencies, contact the LBO coordinator.

To unsubscribe from Agency Email Notifications:

1. Choose “My Email Preferences” from the menu pane.
2. Select the “unsubscribe” hyperlink to the right of the agency name for which you do not want to receive email notifications.

### **Searching for fiscal notes that require LBO Action:**

1. To see notes requiring your action, on the Search screen choose your name in the “LBO Analyst” dropdown and check the “LBO Action Required” box.
2. You can change or refine the parameters of the search with any of the fields on the search screen.

### **Adding a Message**

LBO analysts may add a message to communicate with all the parties associated with the fiscal note request. For regular and unofficial fiscal notes, the FNTS will send an email with the message to:

- The requester
- All assigned agencies
- Agency email recipients
- LBO analysts assigned to the request
- EBOs assigned to the request
- FNTS admin users

Note: Once a message is added, it cannot be edited or deleted.

To add a message:

1. Search for and choose the fiscal note.
2. Type your message in the Message History field.
3. Proofread your message—once saved, message cannot be edited or deleted.
4. Save the message by choosing the “Add to Msg List” button.

### **Reviewing a fiscal note**

To review a fiscal note after an agency has signed off, highlight the agency in the Agency Assignments area, and select the “View” button. To review all agencies in a consolidated fiscal note, choose the “View Consolidated” button.

### **Signoff/Remove Signoff**

1. After review, if you wish to sign off on the note, select the “Signoff/Remove Signoff” button. (The same button will remove the signoff if you select it after you sign off on a fiscal note.)
2. Choose the appropriate “Signoff for” choice.

3. LBO approval defaults to “Approved.” Choosing “Not Approved” should be done only after consulting with the LBO director.
4. All Classified, Revised, or Not Approved fiscal notes require a comment before the signoff button is enabled.
5. For consolidated notes, the process is the same after choosing “Lead LBO Analyst.”

### **Changing the LBO Analyst Assigned to a Fiscal Note**

1. Search for and select the fiscal note to reassign.
2. Select the appropriate agency under Agency Assignments.
3. Choose the “Modify” button.
4. The LBO analyst name becomes a dropdown box. Select the new LBO analyst.
5. Choose the “Save” button to save the change or cancel to go back to the previous selection.

### **MMB EBOs**

MMB Executive Budget Officers have read-only access to regular and unofficial fiscal notes in the FNTS to monitor fiscal notes for their assigned agencies. They are automatically assigned to receive copies of agency email notifications for their assigned agencies’ regular and unofficial fiscal notes.

# Appendix A: FNTS Email Notifications

Table A-1 - Fiscal Note Tracking System Email Notifications

Regular or Unofficial FN Emails	Agency FN Coordinator	Agency Email List	Requester	Bill Author *	Requesting Committee Chairs	Assigned LBO Analyst	EBO	Admin
FN requested				x				x
FN retrieved								x
New FN assigned	x	x				x	x	
New companion FN assigned to regular fiscal note request	x	x				x	x	
FN due date change	x	x	x			x	x	x
LBO pre-signoff review						x		
FN ready for LBO signoff						x (cc: Lead LBO)	x	
FN ready for Lead LBO signoff						x		
Agency removed signoff	x					x	x	
LBO removed agency signoff	x	x					x	
Agency unassigned FN	x	x				x	x	
FN inactivated	x	x	x				x	x
FN reactivated	x	x	x			x	x	x
LBO signoff removed while consolidated FN in process	x	x						x
FN Complete	x	x	x	x	x	x	x	x
FN revised after completion	x	x	x	x	x	x	x	x
Past due fiscal note **	x	x						
Message field updated	x	x	x			x	x	x

\* If there is a companion fiscal note, the companion bill author also receives an email.

\*\* Past due emails for classified fiscal note requests are sent separately from emails about past due regular and unofficial fiscal note requests.

Classified fiscal note email distribution is more restricted than for regular or unofficial requests.

*Table A-2 - Classified Fiscal Note Tracking System Email Notifications*

<b>Classified FN Emails</b>	<b>Agency FN Coordinator</b>	<b>Requester</b>	<b>Assigned LBO Analyst</b>	<b>Admin</b>
Classified FN requested				x
Classified FN retrieved				x
New Classified FN assigned	x		x	
Classified FN inactivated	x	x		x
Classified FN due date change	x	x	x	x
LBO pre-signoff review			x	
Classified FN ready for LBO signoff			x	
Classified FN ready for Lead LBO signoff			x	
Agency removed signoff			x	
LBO removed agency signoff	x			
Agency unassigned from classified FN	x			
Classified FN inactivated	x	x		x
Classified FN reactivated	x	x		x
LBO signoff removed while consolidated classified FN in process	x		x	x
Classified FN Complete	x	x	x	x
Classified FN revised after completion	x	x	x	x
Past due classified fiscal note **	x			
Message field updated	x	x	x	x

\*\* Past due emails for classified fiscal note requests are sent separately from emails about past due regular and unofficial fiscal note requests.

# Appendix B: Local Government Entity Associations

*Table B-1 – Local Government Entity Associations and Contact Information*

<b>Name with website hyperlink</b>	<b>Website Address</b>	<b>Phone Number</b>
<a href="#"><u>Minnesota Inter-County Association (MICA)</u></a>	www.mica.org	651-222-8737
<a href="#"><u>Association of Minnesota Counties (AMC)</u></a>	www.mncounties.org	651-224-3344
<a href="#"><u>League of Minnesota Cities (LMC)</u></a>	www.lmc.org	651-281-1200
<a href="#"><u>Minnesota Association of County Social Service Administrators (MACSSA)</u></a>	www.macssa.org	651-789-4340
<a href="#"><u>Minnesota Association of Community Correction Act Counties (MACCAC)</u></a>	www.maccac.org	N/A
<a href="#"><u>Minnesota County Attorneys Association (MCAA)</u></a>	www.mcaa-mn.org	651-641-1600
<a href="#"><u>Minnesota Chiefs of Police Association</u></a>	www.mnchiefs.org	651-457-0677
<a href="#"><u>Minnesota Sheriffs' Association</u></a>	https://www.mnsheriffs.org/	651-451-7216
<a href="#"><u>Minnesota Police and Peace Officers Association (MPPOA)</u></a>	www.mppoa.com	651-291-1119
<a href="#"><u>Minnesota Association of County Administrators (MACA)</u></a>	www.maca-mn.org	N/A
<a href="#"><u>Minnesota Government Finance Officers Association (MNGFOA)</u></a>	www.mngfoa.org	651-638-2105
<a href="#"><u>City Engineers Association of Minnesota (CEAM)</u></a>	www.ceam.org	651-215-4048
<a href="#"><u>Minnesota City/County Management Association (MCMA)</u></a>	www.mncma.org	651-215-4048

<b>Name with website hyperlink</b>	<b>Website Address</b>	<b>Phone Number</b>
<a href="http://www.mnasbo.org">Minnesota Association of School Business Officials (MASBO)</a>	www.mnasbo.org	651-290-7485
<a href="http://www.mnasa.org">Minnesota Association of School Administrators (MASA)</a>	www.mnasa.org	651-645-6272
<a href="http://www.mnmsba.org">Minnesota School Boards Association (MSBA)</a>	www.mnmsba.org	507-934-2450
<a href="http://www.mnsna.org">Minnesota School Nutrition Association (MSNA)</a>	www.mnsna.org	320-251-2344

# Appendix C. Sample LBO Fiscal Note Review Checklist

Below is a sample of the checklist that LBO Analysts use when reviewing agency fiscal notes.

## 1. **Bill Language**

Y/N I am looking at the correct version of the bill?

Y/N Is this on a portion of a bill (e.g., Art./Sec./Subd.)?

Y/N Is the agency being asked to do something new?

Y/N Are there any duties that will be taken away from the agency as a result of the bill?

Y/N Is there a revenue change associated with the collection of a fee or fine?

Y/N Does the bill have permissive language?

Y/N Are there any repealers in the bill?

Y/N Does the bill have a sunset provision?

- Check for effective dates and note if missing or differ from section to section.

## 2. **Bill Description** – describes which sections of the bill have a fiscal impact.

- Indicates the budgetary programs affected by the proposed legislation
- Indicates if the bill contains an appropriation or funding source
- Describes changes from current law that are causing an increase or decrease in expenditures or revenues
- If the fiscal note is to be prepared based on a portion of a bill, does the description mention which sections were part of the request?
- If bill has been updated, the bill description highlights changes from the previous version of the bill that causes changes to the fiscal note, if a previous fiscal note was complete
- Addresses any mechanical or technical defects of the bill
  - Remains neutral on the merits of the bill

## 3. **Assumptions** – explains the basis for the fiscal impacts that are included in the fiscal note.

- Assumptions are reasonable given information available
- If a consolidated note, all agencies are working from same assumptions
- Explains how workload assumptions translate into costs
- States salary level assumptions of new employees
- States assumptions regarding salary, fringe, and other FTE associated costs
- All fund transfers are addressed and reference the funds and agencies involved
- Substantial changes in revenue and costs are explained from year-to-year
- If any absorbed costs in tables, the assumptions state why the costs can be absorbed
- Sources of assumptions are listed (similar program, research from outside organization, etc.)

- If grant administrative costs are identified, are the costs reasonable?
- **4. Expenditure and/or Revenue Formula** – formula or table provided to show the expenditures and revenues in a mathematical formula or detailed table.
  - Tables or formulas provide a level of detail to allow the reader to understand how the assumptions translate into the fiscal impact displayed in the Fiscal Note Table.
  - Calculations in tables or formulas are correct
- **5. General Formatting** – formatting of narrative portion of the fiscal note is correct.
  - Tables in narrative section follow the formatting guidelines (see User Guide)
  - Uses plain language (look for jargon, acronyms, etc.)
  - No typos or grammatical errors
- **6. Fiscal Impact Checkboxes** – check boxes are marked appropriately given the information provided on the *Calculation Details* table and in *Narrative* section of fiscal note.

This box should be checked:	If this is in the fiscal note:
Expenditures	<input type="checkbox"/> Tables show Expenditures <input type="checkbox"/> Tables show Absorbed Costs
Fee/Departmental Earnings	<input type="checkbox"/> Assumptions include impact on agency fees or departmental earnings
Tax Revenue	<input type="checkbox"/> Assumptions include impact to tax revenue
Information Technology*	<input type="checkbox"/> Assumptions include impact to agency information technology systems
Local Fiscal Impact	<input type="checkbox"/> Assumptions include local fiscal impact

- **7. State Cost (Savings) Calculation Details Table**
  - The costs provided in the fiscal note reasonably align with the effective dates in the bill
  - Amounts are detailed in the narrative section
  - Funds included in the table are accurate given bill language or current program funding
  - Inflation excluded in cost estimates in second biennium except in cases of bill language directing an agency to include inflationary increases or involving a forecasted program that includes an inflationary factor
  - All fund transfers have an In and Out transaction, so the net impact is zero
  - Secondary costs are not included in the table
  - Absorbed costs mentioned in narrative are included in the *Calculation Details Expenditures*
  - If a consolidated fiscal note, all agency data is totaled properly
- **8. Cover Page - State Cost (Savings) Table** –the *State Cost (Savings)* table matches the information provided in the *Calculations Details* table and narrative section.
  - If a consolidated fiscal note, all agency data is totaled properly

- **9. Cover Page - Full Time Equivalent Positions Table** – FTE totals match the information provided in the narrative section.
  - FTE changes show differences from current projected levels for each year.
    - *For example, if an organization will add five positions per year for four years the FTE table would show FTE impacts of 5, 10, 15, 20*
  - FTE changes are shown in the year that is referenced in the narrative
  - If a consolidated fiscal note, all agency data is totaled properly and sufficiently discussed in the narrative
- **10. Long-Term Fiscal Considerations** – the long-term fiscal considerations, such as expected changes to the fiscal impact for future years or ongoing costs carrying into the future, are explained.
  - Any known changes to expenses or revenues in years beyond those shown in the fiscal note tables
  - If there are substantial changes from biennium 1 and biennium 2, there should be some information on the long-term expectations of expenditures and revenues
  - If federal funds are involved, discuss the probability of continued federal support
  - If IT costs include known changes to future cost of the contract, standard maintenance costs, and any expected future system update costs are included
- **11. Local Impact** – if bill appears to have a local impact, information is provided stating that impact.
  - If information is provided in the narrative section on local impacts, the Local Fiscal Impact box is checked on the cover page checkbox table