

POSC 6553 PUBLIC BUDGETING AND FINANCE

Fall 2024

Instructor:	Jonghoon Lee	Time:	Online
Email:	jolee@astate.edu	Place:	Canvas
Section#:	10A/20A	Credit Hours:	3

Office Hours and Location: Tuesday 09:00 - 11:00 AM at HSS 3052. Virtual Office Hours are available at <https://astatecall.zoom.us/j/92424040728>. If students cannot make it at the designated time, they can make an appointment to find another available time.

- The Virtual Office Hours are for students. We can discuss the topics of the week, sometimes I might ask your impression or opinion on something, and I can answer questions about the program as well. These hours are drop-in, meaning you can come in at any time and leave when you need to. No pressure. Just a resource for YOU if you have questions, need help, or just want to say “hi” or connect!

Course Description: The purpose of this course is to examine the history, institutions and techniques of public financial administration. The practices and fundamental concepts of governmental budgeting, public finance and financial management will be introduced. My goals for the course include that you learn about the following: U.S. budget history, the standard budget cycle, public budgeting decision theories, different budget formats, basic public/non-profit accounting and reporting practices, basic methods of financial management, and different types of revenue systems. Ethical issues raised by the premises underlying different choices made by public entities will be discussed, as will the professional ethical principles underpinning modern public administration. In addition, through experience in manipulating dollars among different budget formats as well as an in-depth analysis of the federal budget process and another public or non-profit agency of your choice, the politics, precepts and foundations underlying real-life budgeting will be thoroughly examined.

Course Objectives: The purpose of this course is to examine the history, institutions, and techniques of public financial administration. This includes:

- Learning about U.S. budget history
- Understanding the use of the budget as a tool for financial management, planning coalition building, and accountability
- Understanding the standard budget cycle
- Evaluating different budget formats
- Understanding the role and importance of politics in budgeting
- Understanding different public budgeting decision-making theories
- Reviewing the application of best practices in public budgeting in the United States
- Utilizing standard revenue evaluation criteria to analyze basic tax sources

NASPAA Universal Competencies (UCs): Network of Schools of Public Policy, Affairs, and Administration (NASPAA)’s Universal Competencies (UCs) for MPA Programs.

1. To lead and manage in public governance
2. To participate in and contribute to the public policy process
3. To analyze, synthesize, think critically, solve problems and make decisions
4. To articulate and apply a public service perspective
5. To communicate and interact productively with a diverse and changing workforce & citizenry

(Note: The UC(s) toward which course-level goals, outcomes and assessments apply are noted in via superscript numbers following them. These numbers have nothing to do with assignments.)

A-State MPA Program Learning Outcomes:

- **LEADERSHIP:** MPA students will be able to evaluate different leadership patterns within an organization and determine appropriate strategies to enhance organizational performance.
- **ANALYSIS:** MPA students will demonstrate the ability to analyze, synthesize, think critically, and make decisions as public and nonprofit managers.
- **COMMUNICATION:** MPA students will determine an appropriate communication style, research and develop content, and deliver content using the appropriate communication channel for various managerial situations that may arise in public or nonprofit organizations.
- **ETHICS:** MPA students will create a personal code of ethics and be able to apply that code to complex managerial situations.

PBF Course Goals: By the end of the course, you should be able to do the following:

1. Explain key concepts in the application of different public budgeting formats and their underlying values, including line-item, performance, program, and zero-based budgeting.
2. Evaluate the successes and problems associated with decision-making techniques.
3. State and explain key laws, court cases, and history of eras in U.S. public budgeting.
4. Use standard revenue evaluation criteria to analyze the major source of U.S. revenue, including the property tax, income tax, and sales tax.

PBF Course Outcomes: Your development will be demonstrated by your ability to do the following:

1. Define, explain and discuss, verbally and in writing, the concepts, approaches, tools and methods used in various public budgeting formats.
2. Exercise informed judgment to choose among approaches, tools and methods in the context of public budgeting techniques.
3. Define, explain and discuss, verbally and in writing, the concepts, approaches, laws, and methods of public budgeting transparency and accountability.
4. Apply the appropriate concepts, approaches, tools and methods used in the analysis and evaluation of public fiscal analysis for various major revenue sources.

Required Texts:

Mikesell, John A. *Fiscal Administration: Analysis and Applications for the Public Sector*. Cengage Learning; 10th Ed. 2017.

- Main text for class. Most basic public financial management information as well as most exercises will come from this book. (hereinafter **Mike**)

Rubin, Irene S. *The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing*. CQ-Press; 9th Ed. 2019.

- Secondary text for class. Extensive in-depth analysis of the federal budgetary process, a classic in the field of public budgeting and finance. (hereinafter **Rubin**)

PBF Course Obligations

Remember to keep copies of all of your work, since they may be used in the capstone course.

Course Examinations: There will be *two written examinations*, distributed and due as per the course schedule; each will constitute **25 percent** of the semester grade. Penalties for lateness will be *severe*. Students will be responsible at the time of the examinations for all required readings and information discussed in class. Exams for which sources are not properly cited will be awarded a 0 grade. Please use an APA style citation (If you have any difficulties, please reach out to the writing center: <https://www.astate.edu/college/liberal-arts/departments/english-and-philosophy/writing-guide/writing-lab/>).

Class Participation/Rubin Discussions/In-Class Exercises/Homework Exercises: Class participation is expected and encouraged and will constitute **20 percent** of the semester grade. Please come to class having read the assignments and with comments and questions in mind. Class participation grades will be determined through an analysis of contributions to in-class discussions and exercises, as well as effort and quality of work effort on homework assignments. Viewing/reading others' presentations and asking questions about them is an *extremely* important component of the participation grade. All assignments are to be submitted in Word format via Canvas. Please note that random groups will be assigned after class starts for *some exercises (not for your Learning Contract Project)*. Do not attempt to form your own groups early.

Learning Contract Project: You must develop and implement a public budgeting- or financial management-related project for any organization that receives at least 50% of its funding from public sources. More information about the project is provided at the end of the syllabus. **The project** will be due in *the end of the 6th week* of class and will constitute **30 percent** of your final grade. **Presentations via webcam** will be due in *the 6th week of class* as well. You are strongly encouraged via a +3 point bonus to complete your learning contract project as part of a small group (4 or more) of your choice of your co-students. All work may be divided as the group sees fit, including the presentation. *In the 7th week of class*, you will view others' presentations and comment on them.

General Policy: Course Examinations (25% per each), Class Participation/Rubin Discussions/In-Class Exercises/Homework Exercises (20%), and Learning Contract Project (30%). The grading/point scheme is as follows :

- A: 92 +
- B: < 92 - 83
- C: < 83 - 74
- F: < 74

- Late penalties for assignments will be **severe**. I **do not** accept e-mailed assignments.
- The exact assignment due is by *midnight of the following Sunday night*. In breaking up the class by week it seems logical to define a "week" as Monday morning through Sunday night.
- Students who require academic adjustments in the classroom due to a disability must first register with ASU Disability Services office (972-3964). Following registration and within the first two weeks of class, please talk with me regarding appropriate academic accommodations.
- Plagiarism (copying from published works and/or the Internet without giving full credit) and cheating will result in the application of the strongest possible penalties and referral to the Associate Dean for Student Affairs for a judicial hearing. Please refer to the Academic Integrity Policy in your ASU Student Handbook for further details. Please also see the Department of Political Science webpage's

statement on plagiarism at <http://www2.astate.edu/a/chss/departments/political-sciences/ethics-statement.dot>

- Also, the American Society of Public Administration (ASPA) Code of Ethics is located here: <https://www.aspanet.org/> (put code of ethics in the search box). and you should familiarize yourself with it.

Additional Information about PBF Learning Contract Project

Each small group of students will complete an applied project related to public budgeting and finance using a learning contract to define the scope of the project and the evaluation criteria. The idea behind a learning contract is that each student defines what s/he wants to learn or accomplish and how they intend to learn/accomplish it; it opens up the possibility of doing something for your major project other than a research paper.

The contract is similar to a syllabus, except it is developed by the student and tailored to each student's interests. Ideas for projects include: analyzing an agency's budget process (using the four phases of the process as a guide), writing a comprehensive purchasing or risk management policy for an organization, preparing a research report on an aspect of financial management or public budgeting, making a documentary on state- or local-level budget-makers, developing a training guide or instructional video on a public budgeting and finance topic, organizing a workshop, reviewing legislation /regulations /court rulings on a complex issue and developing a lay-person's guide to the legal status of that issue, or any other topic of interest to the student and public administrators. In selecting a topic, students are strongly encouraged to consult with officials in a public or non-profit organization and to tailor the project to meet a public budgeting or financial management need of that organization. In summary, you determine the subject matter and the nature of the project. This should be a major project, in keeping with its point value for the project as a component of the overall course grade (30%). If you work in a group of 4 or more, your group will receive a +3 point bonus.

There are four components to this project:

1. Identify a general topic for your project in one paragraph or so & submit to the professor via email. This will not be graded but you will get brief feedback on whether this is an appropriate topic, which must be budgeting- or financial management-related and involve a public or non- profit entity.
2. Submit a learning contract proposal for instructor approval, via Canvas, per the schedule (5 pts). This proposal should contain:
 - a description of your learning objectives; that is, the knowledge or skills you hope to acquire or enhance through this project;
 - an explanation of the intended audience and the need for the project;
 - the methods you will use to gather necessary information or skills (beyond the research required in step 3 below);
 - a description of the product you intend to produce (a research paper, a report, a section of a manual, a fiscal analysis, an analysis of a budgetary process, a video, etc. ..).
3. Conduct a review of the current academic and professional literature on their topic and prepare an annotated bibliography of the 15-20 most useful and relevant sources. Students should use resources from the library, the Internet, professional and trade publications, interviews, and in some cases statutes, regulations and/or court rulings (worth 5 points). The lit review is not a separate document; it is just a part of the overall project.
4. Finally, you must submit the project itself. Each group will make a presentation on their project in the 6th week of class (worth 10 points). Maximum time limit for the executive-style summary presentation: 5 minutes. Note that part of your class participation grade is viewing and commenting on others' major presentations in Week 7. You should also respond to others' comments on your own projects! You will be using a webcam to record your presentation. Please make sure you have one accessible by the first week of the course.

Please note:

- It is up to the group to determine how to divide up all of the work of the group, including the presentation. The grade will be a group grade.
- Please have only one group member submit all of the group's information. Just be sure everyone's name is on anything that is submitted.
- A PowerPoint is not the same as a presentation via webcam. You are required to provide a presentation with your actual moving face on it. Use any way you want to record and then just put the link where you submit the assignment.

Course Outline:

Week 1 (Tue. 8/20 - Sun. 8/25): Introduction to Public Financial Management

- Review the Syllabus
- Required Readings:
 - Mike, Chapter 1 - Public Finance.
 - Mike, Chapter 2 - Logic of Budget Process.
 - Rubin, Chapter 1 - The Politics of Budget.
 - Rubin, Chapter 2 - Revenue Politics.

Week 2 (Mon. 8/26 - Sun. 9/01): Budgeting Methods and Decision-Making Theories

- Required Readings:
 - Mike, Chapter 3 - Budget Methods & Practices.
 - Mike, Chapter 4 - The Federal Budget.
 - Mike, Chapter 13 - Revenue Forecasts.
 - Rubin, Chapter 3 - The Politics of Process
 - Rubin, Chapter 4 - The Dynamics of Changing Budgeting Process.

Week 3 (Mon. 9/02 - Sun. 9/08): State & Local Budgeting, Capital Budgeting, and Long-Term Financing

- Required Readings:
 - Mike, Chapter 5 - State and Local Government Budgeting.
 - Mike, Chapter 6 - Budget System Reforms.
 - Mike, Chapter 7 - Capital Budgeting.
 - Mike, Chapter 15 - Dept Administration.
 - Rubin, Chapter 5 - Expenditures: Strategies, Structures and Environment.
 - Rubin, Chapter 6 - The Politics of Balancing the Budget.

Week 4 (Mon. 9/09 - Sun. 9/15): Intergovernmental Fiscal Relations and Revenue Evaluation Criteria

- Required Readings:
 - Mike, Chapter 8 - Taxation.
 - Mike, Chapter 14 - Intergovernmental Fiscal Relations.
 - Rubin, Chapter 7 - Budget Execution: The Politics of Adoption.
 - Rubin, Chapter 8 - Controlling Waste, Fraud and Abuse.
- The first course examination is due by Sep. 15 at 11:59 PM.
- Learning contract proposal is due by Sep. 15 at 11:59 PM.

Week 5 (Mon. 9/16 - Sun. 9/22): Income Taxes and Sales Taxes

- Required Readings:
 - Mike, Chapter 9 - Income Taxes.
 - Mike, Chapter 10 - Taxes on Goods and Services.
 - Rubin, Chapter 9 - Budgetary Decision-Making and Politics.

| Week 6 (Mon. 9/23 - Sun. 9/29): Property Taxes & Other Sources of Revenue

- Required Readings:
 - Mike, Chapter 11 - Property Taxes.
 - Mike, Chapter 12 - Revenue from User Fees.
- Learning contract project and presentation is due by Sep. 29 at 11:59 PM.

| Week 7 (Mon. 9/30 - Fri. 10/4): Project Reports and Presentations

- The second course examination is due by Oct. 4 at 11:59 PM.
- Reviewing and commenting classmates' projects is due by Oct. 4 at 11:59 PM.