

PLSC 540- Public and Nonprofit Budgeting
Winter 2016
M 6 pm-8:40 pm
Pray Harrold Room #420
Dr. Barbara Patrick

Office: Department of Political Science, Pray Harrold Hall
Office Hours: 12:15-3:30pm MW; 5-6pm MW or by appointment
Phone 734- 487-1453
E-Mail: bpatric1@emich.edu

REQUIRED TEXT:

Lee, Robert, Ronald Johnson, and Philip Joyce (2013). Public Budgeting Systems, 9th Edition. Burlington, MA: Jones & Bartlett Learning.

Rubin, Irene (2013). The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing, 7th Edition. Washington, DC: CQ Press.

We will also make use of handouts and other reading material to supplement the text.

COURSE DESCRIPTION:

The purpose of this course is to provide students with the skills and tools to analyze, synthesize, think critically, solve problems, and make budget decisions. It is the first in a sequence of two courses that will consider a number of topics that are important to the public manager. While you should possibly not expect to come out of this course a financial expert, you should expect to gain important exposure to some of the necessary tools that are required of today's public managers. Topics will include an in-depth look at public management and cash management. This course is designed to be a learning experience with assignments mimicking actual situations that public managers are likely to see.

COURSE OBJECTIVE

Budget decisions allocate scarce resources between competing claimants.

- The seminar provides a basic understanding of public budgeting decision-making processes and financial management practices.
- The seminar examines budgeting not only as a technical instrument, but also as an element of politics.
- The seminar uses exercises to help students improve their analytical, decision-making, verbal and written communication skills.
- The seminar helps the student to determine the characteristics of a "good" public revenue system.

- The seminar examines the political context and ecology of budgeting, including actors, roles, strategies, and environments

Class Attendance and Etiquette:

Class attendance is very important. You have 2 absences, after the second absence your grade will drop ½ a letter. Repetitive late arrivals will also result in an absence. If you arrive late or must leave early it is your responsibility to inform me; also it is very important that you arrive on time on exam days. If you arrive after the first student completing the exam has left the room, you will not be allowed to complete the exam. Make-up exams are only given with adequate documentation at the end of the semester. Class attendance on days that student present days is also very important. Failure to appear on present days without an excused absence will result in a grade deduction. Late arrivals on presentation days will also affect your presentation grade.

GRADING SCALE:

Budgetary Project and Presentation: 30%

Class Participation and Assignments: 30%

Midterm: 20%

Final: 20%

Homework & Class Assignments: Short problems will be assigned. Such assignments will be discussed thoroughly in class, and you may be called to present your answers in class. In addition, regular, effective, timely assignments/homework will be considered in some borderline cases. (E.g., if someone who otherwise has no demerits and who has done well on her homework tends to get the benefit of the doubt in a close call between, say, a B+ and an A-.)

Class participation and Quizzes: It is expected that students will come to class prepared to discuss the assigned readings. Points will be awarded to those who intelligently participate in class discussions. This essentially means questions, observations, or argument that helps the general understanding of the class as a whole. These points must be earned, and will not be awarded automatically for speaking up in class. In the (unlikely, I hope,) event that it becomes apparent that insufficient numbers of the class have read the assigned material, quizzes will be administered. These will be graded and rolled into the more general grading scheme.

Tests: The exam(s) will cover required readings and distributed items. Two exams will be given to include the final exam. All exams must be taken during the scheduled time. You are strongly encouraged not to miss a scheduled exam. If you miss an exam or other assignment, it is your responsibility to contact me as soon as possible to inform me of the situation. Make-ups will not be given without documented excuses, which I must approve.

Budgetary Project

This project requires students to serve as investigative task forces that examine different local governments in the state of Michigan that have undergone financial stress and required the appointment of an emergency financial manager.

The purposes of the term project are:

- *Familiarize you with local government and its budgets and processes;
 - *Encourage you to relate budget concepts and processes examined in class to local situations;
 - *Allow you to apply field research techniques in the study of public budgeting; and
 - *Provide an opportunity to demonstrate writing and presentation skills
- *Given that the project comprises 30% of your grade, we will talk often in class about these projects and I am more than happy to spend whatever time you need outside of class to make your efforts successful. The report must be in essay form, typed, though not book length; source materials—interviews, documents, journal articles and so on—should be identified and or document.

The local government budget case study involves a narrative report describing the budget process in your local government

- *To organize your inquiry and analysis, use the following basic questions:
who, what, when, where, why and how.

*The intent is to allow you become an “expert” on the budget and budget issues and challenges associated with a particular governmental function of interest.

Students will be required to present their proposal to the class as well as submit a written paper to the instructor. The paper should present a well-established argument with documented sources. The papers should highlight the politics of the budgetary decision under study. Papers should highlight the long term political and budgetary implications of budgetary policies. **Out of fairness to all students, I will not accept late assignments.**

Possible Cities to Examine:

Benton Harbor

Ecorse

Flint

Pontiac

Allen Park

Detroit

Inkster

Ypsilanti

Saginaw

COURSE OUTLINE:

Week One (January 11, 2016)

Course Introduction and Overview

Discussion of Semester Project

Homework Assignment Given

Week Two (January 18, 2016)

Monday-Holiday

Week Three (January 25, 2016)

Chapter 1: Lee, Johnson, and Joyce Introduction

Chapter 2: The Public Sector in Perspective

Chapter 4: The Budget Cycle

Homework Due

Week Four (February 1, 2016)

Chapter 5: Budgeting for Revenues: Income Taxes, Payroll Taxes, and Property Taxes

Chapter 6: Budgeting for Revenues: Transaction-Based Revenue Sources

Rubin, Ch. 2: Revenue Politics

Local Government Estimates and Projections

Budget Assignment Given

Week Five (February 8, 2016)

Chapter 7: Budget Preparation: The Expenditure Side

Chapter 8: Budget Preparation: The Decision Process

Rubin, Ch. 5: Expenditure: Strategies, Structure, and the Environment

Budget Assignment Due

Week Six (February 15, 2016)

Midterm Exam

Week Seven (February 22, 2016)

Winter Break-No Class

Week Eight (February 29, 2016)

Chapter 13: Capital Assets: Planning and Budgeting, Analysis, and Management

Chapter 14: Capital Finance and Debt Management

Week Nine (March 7, 2016)

Chapter 13: Capital Assets: Planning and Budgeting, Analysis, and Management

Chapter 14: Capital Finance and Debt Management

Week Ten (March 14, 2016)

Rubin, Ch. 6: The Politics of Balancing the Budget

Rubin, Ch. 7: Budget Execution: The Politics of Adaptation

Week Eleven (March 21, 2016)

Rubin, Ch. 8: Budget Implementation and Control

Rubin, Ch. 9: Budgetary Decision Making and Politics

Week Twelve (March 29, 2016)

Research Day

Week Thirteen (April 4, 2016)

Monday-Presentation Day (Paper Due)

Budget Presentation:

- create a power point presentation
- provide handouts to the audience, etc.
- creativity is an important factor to budgetary success
- You may use pictures, videos, testimonies.

Week Fourteen (April 11, 2016)

Monday- Presentation Day

Week Fifteen (April 18, 2016)

Final Exam Week

The instructor reserves the right to amend the syllabus.

Budgeting Paper Outline

- I. Introduction
- II. City Budget Overview
 - a. Demographics Changes Over Time/Current Demographics
 - b. Decline of Local Stability
 - i. Any Info on What Caused the Problem?
 - ii. Do you have info of total revenue and expenditures over time?
 - c. Emergency Manager
 - i. Time point of entry
 - ii. Deficit Amount
 - iii. Sale of City Assets?
 - iv. Contracting Out Services?
 - v. Reduction in City Staff and Services?
 - vi. Overall Impact on the Budget
 - vii. Has the manager exited? If so, what's happened?
 - d. Reactions to Emergency Manager
 - i. Were Interviews Conducted?
 - ii. Mayor/Council Reaction?
 - iii. Elected Officials Returned to Power?
- III. City Education System
 - a. Source of Funding
 - b. Demographics (Test Scores, Racial Breakdown, # of Schools)
 - c. Funding Changes/Budget Cuts
 - d. Strategies to Address Shortfalls
 - e. Impact on Personnel, Enrollment, Etc.
- IV. City Public Safety
 - a. Police
 - i. Percent of Budget Dedicated to Public Safety
 - ii. Crime & Crime Rates/ Any Info, Possibly Change Over Time; Response Rates
 - iii. Budget Cuts (Change in Funding)
 - iv. Size of the Force; Changes in Personnel/Cuts?
 - v. Contracting Out?
 - vi. Future of the Force, Personnel, Funding
 - vii. Any Interviews?
 - b. Fire & EMS
- V. Conclusion