PMA 8161-003
Public Budgeting and Finance
Fall 2018

Andrew Young School of Policy Studies
Georgia State University

Course Number: 83056
Instructor: W. Bartley Hildreth, Ph.D.
Time: Monday, 4:30-7:00 pm
Office: AYSPS 430
Location: Classroom South 300
Telephone: 404-413-0271
Prerequisites: PMAP 811 and PMAP 8121, or consent of the instructor
Email: BartHildreth@gsu.edu

Course Purpose and Objectives
This course surveys public finance, public budgeting, and related fiscal decision-making activities in government. It places state and local government, and nonprofit organizations contracting with them, within the context of fiscal federalism. As a class member, you should accomplish the following graduate-level objectives:

1. Describe the rules, institutions, timetable, process, and roles involved in governmental taxing and spending;
2. Identify the political, intergovernmental, social, and economic forces acting on those decisions;
3. Compare the politics of budgeting with rational methods of resource allocation (budget reform);
4. Identify the key features of major tax and revenue structures;
5. Apply basic budget analysis skills and methods; and,
6. Evaluate the basics of governmental financial health and sustainability.

Course Details
The required readings are contained in one required textbook and several other assignments specified in this syllabus. You should obtain the following book: John L. Mikesell, Fiscal Administration, Tenth Edition (2018), published by Cengage, with ISBN-13: 978-1-305-95368-0. Do not use an earlier edition or different versions (such as an international edition). The “self-paced training” listed below is part of the required work if you do not have those skills at the beginning of this course. In addition, we will use two chapters from a free online textbook, as listed later.

My lecture materials and any required readings other than the textbook will be placed on the course web site (iCollege hereafter) or otherwise made available to you. You are expected to read all assigned materials prior to class, attend all classes, bring the textbook to the class, participate in classroom discussions (in a responsible manner), and use the lecture materials (including PowerPoint slides) that I post on iCollege for that particular session.

Doctoral students should make an immediate appointment with me to discuss their additional assignments. Doctoral students must submit a proposed research project for approval, complete a draft and revise it to reflect my suggestions/comments (with at least two weeks for my review), and complete the final paper by the last class day in order to receive a course grade.

The class may be assigned to a computer lab room, but in case we do not get to meet in one, then you will need a business calculator. Every calculator has its own sequence of keystrokes to learn, and that is where the user manual comes in handy. The one key that is essential for your calculator to have is the “y^x” key.

“The course syllabus provides a general plan for the course; deviations may be necessary.” Check iCollege and your university assigned email address frequently (and by early afternoon of each class day) for official notices about the class. All assignments are due at the beginning of the class.

“Your constructive assessment of this course plays an indispensable role in shaping education at Georgia State. Upon completing the course, please take time to fill out the online course evaluation.”

Self-Paced Training
There are certain basic skills that most graduate students have by now. For example, you are presumed to know how to use spreadsheet (such as Microsoft Excel) and word processing (preferably Microsoft Word) software. If you do not have that proficiency, you are encouraged to take advantage of free self-paced training programs available to GSU students via Lynda Online Training: http://technology.gsu.edu/technology-services/it-services/training-and-learning-resources/lynda-com-training/

That website also offers a free training session on “Finance for Non-Financial Managers” (only units 1, 2 and 3) that you are to listen to and submit proof of completion to me by email by the specified due date.
Finance Project

A key course purpose is to help you learn basic budget analysis and financial health analysis skills and perspectives. Accordingly, several assignments require you to use a local government budget document that gives the start-of-the-year taxing and spending plan. An additional assignment requires you to use the end-of-year audited financial statements (as presented in the Comprehensive Annual Financial Report, or CAFR).

You will need to select and submit for my approval a city or county government from a listing provided by the Government Finance Officers Association (GFOA) as specified in our class handout (on ICollege entitled: “Selecting a City or County Government Jurisdiction”). That handout also lists non-allowed jurisdictions that were used in prior classes.

In this course, we use general-purpose local government (i.e., a city or county) budget document because these budgets are easier to comprehend within a semester than the more complicated federal or state budgets or the simple budgets for single-purpose special districts (e.g., a school district or a sewer district). Budget documents like these are not commonly available from nonprofit organizations, but the basic budget analysis skills acquired from this assignment will apply to those settings as well.

Here is a summary of each assignment, but for full details on each one you must download the separate handout for each assignment that is available on the course web site.

1. **Finding the Basics of a Budget. Assignment #1** requires an initial use of the budget document to answer a series of questions to help you get familiar with the document and its information. This assignment can be resubmitted until all points are achieved (except any points lost for a tardy original submission). Do not type. Due by: **4:30 p.m. on September 10, 2018.** 2% of course grade.

2. **GFOA Budget Assessment. Assignment #2** is a review of the budget according to the Government Finance Officers Association’s (GFOA) budget review criteria (www.gfoa.org). This assignment can be resubmitted until all points are achieved (except any points lost for a tardy original submission). Do not type. Due by: **4:30 p.m. on September 17, 2018.** 3% of course grade.

3. **Expenditure Analysis. Assignment #3** calls for a five-page analysis of departmental (and divisions within) expenditures based on an effective set of tables (not in the page count) that you construct. For most students, this assignment is very time consuming since it requires extensive spreadsheet work and a clear, concise, and factual writing style. To do well on this assignment, you have to start early because it is not the type of work than can be done at the last minute. [Although it is not required, I highly recommend that you submit for early review the printed (draft) required tables as specified in the guidelines and consistent with the grade matrix, so I will accept these tables (not the 5-page text) on October 1 in order to provide you with feedback on improvements.] There is no replacement or resubmission for this assignment. This assignment is due in printed form (and also posted on the iCollege dropbox) by **4:30 p.m. on October 15, 2018.** 25% of course grade.

4. **Revenue Analysis. Assignment #4** requires you to prepare tables and a two-page analysis of revenues, by source, for the same accounting funds, and for the same time period, that you examined for expenditures. There is no replacement or resubmission for this assignment. This assignment is due in printed form (and also posted on the iCollege dropbox) by **4:30 p.m. on November 5, 2018.** 10% of course grade.

5. **Financial Health Memo. Assignment #5** requires you to apply financial ratios based on the end-of-year audited set of financial statements contained in the Comprehensive Annual Financial Report (CAFR) for the same 12 month period as the budget year in the other assignments. Basically, you are to assess the financial health of the local government in ways not clear from the budget document alone. There is no replacement or resubmission for this assignment. This assignment calls for submitting a two-page factual memo plus the required common table formats (and also posted on the iCollege dropbox) by **4:30 p.m. on November 26, 2018.** 10% of course grade.

These assignments are similar to a take home exam and all work is graded on the basis of originality and individual effort. You are permitted and encouraged to talk with your classmates, and with me, but you still have the responsibility to do the assignment by yourself.
Each document emailed or posted on the iCollege dropbox must have your name and the assignment in the file name <janedoe_wk3_draft>and be in Microsoft Word or PDF format. If you email Excel spreadsheet files, be sure to clearly label each file (or tab) that corresponds to each numbered table in your paper; name the files with your name, such as <jimdoe_wk3_table1>. Your grade will be based on the presentation and order of the printouts that emerge from these files (including all tabs therein), so please make sure that the printouts that emerge from your files are what you intend to submit for grading. Preset the printing areas and have the correct table number and sequence. Any errors are your responsibility and are subject to negative grade impact. If you email files to me, you must confirm that I actually received and opened the file before the time that it is due. Additional instructions may be announced later.

Assigned Web Activities

I post newspaper clippings and other items on the iCollege “Fiscal Federalism Discussion Forum” and you are expected to read the posted material and respond to the posted items every 7 to 10 days throughout the semester. Participate by answering the posted question, responding to prior postings, correcting (nicely) an error, and/or clarifying a given answer using facts and examples. You might even plan on posting one or two relevant articles during the semester. You have a grade based upon this work.

Other Class Activities

Your course performance will include other activities, including in-class exercises, take-home projects, work exercises, classroom responses to questions, classroom participation, pop quiz results, professional courtesy, and having assigned textbook and other materials (plus the calculator) with you during each class session. Plus, you must make an appointment to see me in my office at least once during the semester. The syllabus lists the specific end-of-chapter exercises, cases and appendix material in the Mikesell textbook that you are to complete before the assigned class. You may be called upon to provide the answer (on the board, in writing, or using the computer terminals) to one or more questions or cases each week, and your response is subject to grading. However, you will not have to submit a written set of answers to all of that week’s assigned chapter exercises unless the class is told the week earlier. I will call upon you during one or more classes to clarify a topic or provide the advantages/disadvantages or pro/con argument on a topic covered by the reading that week; thus you must be prepared. This grade element also includes the expectation of timely and complete reading of all assigned material.

Final Examination

A final examination is scheduled. The plan is for it to be in the form of a combined take-home and in-class exam. The exam will include math and written elements. More details will be provided as the class progresses. The exam must be the sole product of your work, without the help of anyone else. The university has scheduled our final exam for **December 10, 2018 from 4:15 to 6:45 p.m.**, so plan on meeting the class during the assigned exam period.

Course Requirements Summary

The final course grade is based on the following indicators of your performance:

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<tr>
<th>Component</th>
<th>Percentage</th>
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<tr>
<td>Final Examination</td>
<td>35%</td>
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<tr>
<td>Finance Project</td>
<td>50%</td>
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<tr>
<td>Assigned Web Activities</td>
<td>8%</td>
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<tr>
<td>Other Class Activities</td>
<td>7%</td>
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<td>100%</td>
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I use this plus/minus system (rounded): 98 to 100=A++; 93 to 97=A; 90 to 92=A-; 87-89=B++; 83-86=B; 80-82=B-; 77-79=C++; 73-76=C; 70-72=C-, then 60-69=D and F=<60. This may be changed as announced.

No incompletes or make-up exams or assignment will be given except in dire circumstances and approved in advance by me. A message left for me is insufficient notification; there has to be a direct exchange between us in advance of the due date, and acceptance depends upon my explicit approval of your request. **Failure to meet an exam or assignment due date and time will result in a significant grade reduction of five percent per day, including partial days, weekend days, and holidays.** This partial day provision means that the full daily penalty is assignable immediately after an assignment is due. Accordingly, there is no advantage to taking extra time by skipping class.

In all instances, retain a copy of all work turned in to me. If there are any market-up/graded copies of the assignments (other than #1 or #2), you will need to return either the marked-up/graded version or a copy of that graded document to me for retention in the course file.
Students with Disabilities

“Students who wish to request accommodation for a disability may do so by registering with the GSU Office of Disability Services. Students may only be accommodated upon issuance by the Office of Disability Services of a signed Accommodation Plan and are responsible for providing a copy of that plan to instructors of all classes in which accommodations are sought.”

Academic Honesty, Student Conduct, and Career Support

You are responsible for adhering to the GSU Policy on Academic Honesty (Section 409), which is available online: https://codeofconduct.gsu.edu/files/2018/07/2018-2019_Academic_Honesty.pdf. You are also held to the standards embodied in the campus Disruptive Student Policy and other requirements of the Student Code of Conduct which is available online: http://codeofconduct.gsu.edu. Our class begins promptly at 4:30 pm and continues until 7:00 pm so plan on being in the room during that time. Please respect the learning experience of other class members and observe all common courtesies due a classroom setting. You should be seated by the appointed start time of the class and be sure to silence your smart/cell phone, avoid eating in the classroom, and remain in your seats except for the mid-point 10-minute break. During class, you should not check/write emails, browse the Internet, or work on non-class related materials on the room computer terminals, on personal computers, or smart/cell phones. I expect excellent behavior when substitute instructors or guests are present. Any lack of professional decorum can result in discharge from the class and/or a grade penalty as necessary to protect the learning environment for others. You are not allowed to make or use any video, audio or photographic recording of class sessions or related activities unless you receive my written permission in advance.

Career support and leadership development services are available from the AYS office located on the ground floor of the AYS building. I hope you will take advantage of this service.

Office Hours

I expect to be in my campus office on Tuesday and Wednesday afternoons from 2:00-4:00 pm, unless meetings occur elsewhere. It is best to email or call (404-413-0271) to confirm an appointment time. I will try to accommodate your schedule. All email correspondence should be directed to the campus email address (BartHildreth@gsu.edu). Do not use the iCollege email system to contact me. I expect to respond to emails within 24 hours, excluding weekends.

I look forward to getting to know you and helping you learn public budgeting and finance.
Read the codes of ethics/codes of professional responsibility from each of the following professional organizations that are contained in a composite file of “Professional Codes of Ethics” that is available on the iCollege website.

- Government Finance Officers Association: [http://www.gfoa.org](http://www.gfoa.org)
- National Association of State Budget Officers: [http://www.nasbo.org](http://www.nasbo.org)
- International City/County Management Association: [http://www.icma.org](http://www.icma.org)
- American Society for Public Administration: [http://www.aspanet.org](http://www.aspanet.org)

Watch the video on ‘Ethics and Accountability’ that is available on the course website on iCollege.


Consult the handout on “Selecting a City or County Government Jurisdiction” (which includes a list of “Jurisdictions Not to be Used Again”) to begin the Finance Project, then select a remaining city or county governments from this GFOA listing for your use this semester and submit the jurisdiction for my approval (along with the web site address for the particular budget document you want to use).

II. PUBLIC FINANCE (August 27, 2018)

Read Mikesell (all cites are to the TENTH Edition, 2018), Chapter 1 and prepare (but not to hand-in unless given one week notice) Exercise 1 and Case 1.

III. FINANCIAL INFORMATION AND THE BUDGET (September 10)

Read Mikesell, Chapter 2. Prepare exercises 2 and 3, and Case 1.

IV. BUDGET METHODS AND PRACTICE (September 17)

Read Mikesell, Chapter 3. Prepare exercises 1, 3, and 5, Cases 1 and 2.

Watch (and be able to use) the videos on ‘Break-Even Analysis’ and ‘Cost Analysis’ that are provided on the course website on iCollege.

V. BUDGET INSTITUTIONS AND PROCESS (September 24)

Read 2 chapters in Mikesell: Chapter 4 (Federal budgeting) with Appendix 1; and, read Chapter 5 (state and local budgeting) with Appendix 1.

VI. BUDGET REFORM (October 1)

Read Mikesell, Chapter 6. Prepare exercise 1 and Appendix 1 and 2.

Complete the Online Training program on the “Finance for Non-Financial Professionals” (only units 1, 2 and 3) and send confirmation to me of your completion.
VII. CAPITAL BUDGETING AND THE TIME VALUE OF MONEY (October 8)

Read Mikesell, Chapter 7. Prepare exercises 1, 2, 3, 5, and 6, and Case 1.

My video lecture on most of the basics of Time Value of Money is posted on iCollege for your use. I will cover this material in class as well.

VIII. TAX POLICY AND INCOME TAXATION (October 15)

A. Tax Policy

Read Mikesell, Chapter 8. Prepare exercise 2, and Case 1.

B. Income Taxation (Basic Concepts)

Read Mikesell, Chapter 9 (exercises and case can wait a week)

IX. INCOME AND CONSUMPTION TAXATION (October 22)

A. Income Taxation (remaining details)

Read Mikesell, Chapter 9. Prepare exercises 2, 3, 4, and 7, and Case 1.

B. Consumption Taxation

Read Mikesell, Chapter 10. Prepare exercises 3, 4, and 5, and Cases 1, 2 and 3.

X. PROPERTY TAXATION (October 29)

Read Mikesell, Chapter 11. Prepare exercises 3, 4, 5, and 7, and Cases 1 and 2.

XI. OTHER REVENUE ISSUES & INTERGOVERNMENTAL FISCAL RELATIONS (November 5)

A. Public Pricing of Services and Programs

Read Mikesell, Chapter 12. Prepare exercises 1 and 3, and Cases 1 and 2.

Revisit Mikesell, Sidebar 3-1, pages 119-121 on break-even analysis, and prepare exercise 11 on page 147.

B. Revenue Administration and Forecasting

Read Mikesell, Chapter 13. Prepare exercise 1, Case 1, and Appendix 1.

Revisit Mikesell, pp. 106-110 on using growth rates for simple forecasts.

C. Intergovernmental Fiscal Relations

Read Mikesell, Chapter 14. Prepare Case 1.
XII. BASIC FINANCIAL STATEMENTS (November 12)

Read the following selection posted on iCollege for use in Assignment #5:


Find and review the Comprehensive Annual Financial Report (CAFR) for the same 12 month period (the Budget Year) as used in the earlier Assignments in order to do Assignment #5.

XIII. FINANCIAL HEALTH AND SUSTAINABILITY (November 26)

Read the following selection posted on iCollege, and apply the ratios in Assignment #5:


XIV. DEBT MANAGEMENT (December 3)

Read Mikesell, Chapter 15. Prepare exercise 3, and Appendix 1.

XV. FINAL EXAM (December 10)