

UNIVERSITY OF ILLINOIS AT SPRINGFIELD
PAD 504 BUDGET AND FINANCE
FALL 2007

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Course Description

This course introduces students to public budgeting and financial management concepts, discussions, assignments and projects. The course will address the following budgeting/financial management topics:

- Revenue Sources, Structure, and Administration
- Budgetary Process, Politics, and Reform
- Intergovernmental Fiscal Relations
- Capital Budgeting
- Debt Management
- Accounting, Financial Reporting, and Auditing
- Financial Analysis

We also will be addressing communication skills and various managerial issues including ethics, the use and management of information and technology, and effective team work.

Student Learning Objectives

The goal of this course is for students to obtain public budgeting and financial management knowledge and skills that will be useful in their careers and in their role as citizens. Students who successfully complete this course should be able to demonstrate

1. an understanding of (a) key concepts and terms utilized in public budgeting and financial management, (b) the budgetary process and budget reforms, and (c) managerial issues related to budgeting and public financial management including ethics, team work, and the use and management of information and technology;
2. the ability to (a) apply analytical and computer skills in addressing public budgeting and financial management issues, (b) effectively communicate issues related to public budgeting and financial management, and (c) work collaboratively on a team project.

Course Requirements

The requirements for this course include (1) listening to lectures and viewing the associated PowerPoint slides, (2) completing the readings, (3) preparing and submitting assignments and projects, and (4) actively participating in discussions and other course activities.

Course Policies

- Students are expected to log in to the course at least three times per week; however, more frequent logins are encouraged and may be needed during the time in which students are working on a group project. Students will generally need to spend 10-14 hours per week on this course.
- For online courses to be successful, it is important for students to be actively engaged in the course. Students who do not turn in assignments or participate in course discussions or other activities for a week or longer are subject to being dropped from the course. Students who are expecting to travel during the semester for a period of more than several days should make arrangements to log in to the course from their travel location. If you have any questions about this policy, please contact the instructor in advance.
- Students may consult with other students on the assignments and projects; however, each student is responsible for preparing, understanding, and submitting his or her own work. The University and Public Administration Department policies on plagiarism, which are stated below, will be followed. If you have any questions or concerns regarding these policies, please contact Dr. Bunch.

University Policy

“Plagiarism usually takes one of the following three forms and is done without proper acknowledgment: including another person’s writing in one’s own essay, paraphrasing another person’s work, or presenting another person’s original theories, views, etc.

When an allegation of plagiarism arises, disciplinary proceedings may be initiated within the academic program in which the alleged offense occurred. The instructor may refuse to grade the assignment and record it as no credit. Penalties may include failure in the course as well as recommendation for disciplinary probation, suspension, or dismissal from the class, program, or UIS.” (*UIS Graduate and Undergraduate Catalog*, http://www.uis.edu/UIScatalog/2006_2007_UIS_Catalog/Information/allStudents.html).

Public Administration Department Policy

“Any instance of plagiarism or other forms of academic dishonesty will result in a review of the circumstances by the departmental faculty. The faculty reserve the right to use computer software, such as Turnitin, to investigate instances of plagiarism. Departmental sanctions may include failure for the assignment- and/or failure for the course- and may

additionally include a recommendation for campus disciplinary action including dismissal from the program, or dismissal from the university as per the university code of conduct. Students have the right to grieve such actions taken against them by filing a grievance with the Vice Chancellor for Student Affairs. All instances will result in the submission of a letter outlining the case to the student’s program file and copied to the Dean of the College and the Vice Chancellor for Student Affairs.”

- Assignments and projects turned in late will be subject to a 10% penalty per day (Monday - Friday) for each day that the assignment is late. In the case of illness or a personal emergency, the student should contact Professor Bunch *prior to the deadline* to request a waiver of this policy.
- The purpose of the discussion board is to encourage interactions among students. This will be hindered if students post after the stated deadline. Therefore, discussion board postings that are not submitted by the stated deadline will receive zero credit.

Accommodation Statement

Reasonable accommodations are available for students who have a documented disability. Please notify the instructor during the first week of class of any accommodations needed for the course. Late notification may cause the requested accommodations to be unavailable. All accommodations must be approved through the Office of Disability Services (ODS) in the Human Resources Building (HRB), One University Plaza, Room 80, Springfield, IL 62703, 217-206-6666, ODS@uis.edu.

Grading

Projects

#1 Financial Projections & Sensitivity Analysis	8%
#2 Interview/PowerPoint Presentation	12%
#3 Strategic Planning & Performance Measurement (group project)	18%
#4 State Financial Analysis	14%

Assignments 24%

Class Discussion/Activities 24%
100%

COURSE OUTLINE

The course generally will follow the outline and schedule listed below. Any revisions will be announced on the Blackboard site or through an email.

August 20

Course Overview

Introduction to Public Budgeting & Financial Management\

1. Lee, Robert D. Jr., Johnson, Ronald W., and Joyce, Philip G. *Public Budgeting Systems*, Chapter 1 – Introduction, 2004.
2. Wolf, Richard. “A ‘Fiscal Hurricane’ on the Horizon”, USA Today, November 14, 2005. http://www.usatoday.com/news/washington/2005-11-14-fiscal-hurricane-cover_x.htm
3. “State Government Finances to Weaken – Survey”, CNNmoney.com, August 9, 2007 <http://money.cnn.com/2007/08/09/news/economy/bc.usa.states.budgets.reut/index.htm>

Assignment

Questions about the course and introductory materials

Activity

Bio Posting

Discussion Board Questions

August 27

Revenues

Tax Evaluation Criteria

1. Mikesell, John. Chapter 7 – “Taxation Criteria for Evaluating Revenue Options,” *Fiscal Administration: Analysis and Applications for the Public Sector*, 2003, Sixth Edition, pp. 279-317.
2. Karl, Peter A., “Twenty Questions About Tax Resources on the Internet, *The CPA Journal*, Vol. 75, No. 7, July 2005, pp. 36-38,

Assignment

Tax Evaluation Question

Activity

Discussion Board Questions

September 3

Property Tax

Use of Spreadsheets for Analysis

**** assign Project #1 ***

1. Illinois Department of Revenue, *The Illinois Property Tax System*, pp. 1-27.
<http://www.revenue.state.il.us/Publications/LocalGovernment/PTAX1004.pdf>
2. Dalehite, Esteban G., "Promoting Economic Development with Tax Incentives: A Primer on Property Tax Abatements," *Public Financial Management*, Edited by Howard A. Frank, Boca Raton: Taylor and Francis Group, pp. 265-286.

Assignment

Property Tax Problems

Activity

Property Tax Abatement Case

September 10

Income Tax

Sales Tax

1. Barrett, Katherine & Greene, Richard. (February 2003). "The Way We Tax: A 50-State Report," *Governing*, <http://governing.com/gpp/2003/gp3intro.htm>
2. President's Advisory Panel on Federal Tax Reform, *Simple, Fair, and Pro-Growth: Proposals to Fix America's Tax System*, November 2005, Executive Summary and Chapters 1-3, <http://www.taxreformpanel.gov/final-report/>
3. Rhode Island Public Expenditure Council, *The Streamlined Sales Tax Project – Its Impact on Rhode Island*, July 19, 2006,
<http://www.ripec.com/matriarch/d.asp?PageID=66&PageName2=pdfsdoc&p=&PageName=2006+%2D+Streamlining+Sales+Tax+7+19+06%2Epdf>

Assignment

Income Tax Exercise

Activity

Discussion Board Questions

September 17

Introduction to Budgeting

**** Assign Project #2 ****

1. Wildavsky, Aaron, and Caiden, Naomi, *The New Politics of the Budgetary Process*, Chapter 3 – The Dance of the Dollars: Classical Budgeting, 1997.
2. National Conference of State Legislatures, *Fundamentals of Sound State Budgeting Practices*, <http://www.ncsl.org/programs/fiscal/fpfssbp.htm>
3. National Association of State Budget Officers, Module 11, “Communicating Fiscal Issues,” pp. 159-169, http://www.nasbo.org/Publications/PDFs/training_modules.pdf

Assignment

Budgeting Strategies Questions

Activity

Critique of Budget Documents

Development of Guidelines for Effective Verbal Presentations

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September 24

Strategic Planning & Performance Management

**** Project #1 Due ****

1. Osborne, David and Hutchinson, Peter, *The Price of Government: Getting the Results We Need in an Age of Permanent Fiscal Crisis*, Chapter 3 – Setting Priorities, 2004.
2. Calia, Roland, Guarjardo, Salomon, & Metzgar, Judd. (2000). “Putting the NACSLB Recommended Budget Practices Into Action: Best Practices in Budgeting,” *Government Finance Review*, pp. 1-9 <http://www.gfoa.org/services/dfi/bulletin/BUDGET-BudgetingBPApr00.pdf>
3. Baum, Kevin, “Getting in a Rut: Why Performance Management Fails,” *Government Finance Review*, June 2006.
4. Swiss, James E., “Information Technology as a Facilitator of Results-Based Management in Government,” *Public Information Technology: Policy and Management Issues*, Edited by G. David Garson, Hershey: Idea Group Publishing, pp. 170-189.

Assignment

Project #1 Due

Activity

Performance Report Analysis

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October 1

**Ethics in Public Budgeting and Financial Management
Working in Teams**

**** assign Project #3 ****

1. National Association of State Budget Officers, Module 12, “Ethics and Standards of Professional Conduct,” pp. 170-177, and Module 13, “Interpersonal Skills for Budget Analysts”, pp. 178-191. http://www.nasbo.org/Publications/PDFs/training_modules.pdf
2. Government Finance Officers Association, *Code of Professional Ethics*, http://www.gfoa.org/index.php?option=com_content&task=view&id=98&Itemid=108
3. American Society for Public Administration, *Code of Ethics*, http://www.aspanet.org/scriptcontent/index_codeofethics.cfm

Read at least one of the following – see discussion question assignments

4. Clark, Donald, *Matrix Teams*, 2005. <http://www.nwlink.com/~donclark/leader/leadtem2.html>
5. Connery, Brian A. and Vohs, John L., *Group Work and Collaborative Writing*, University of California - Davis <http://trc.ucdavis.edu/trc/papers/vohs/>
6. *Surviving the Group Project: A Note on Working in Teams*, Northeastern University <http://web.cba.neu.edu/~ewertheim/teams/ovrvw2.htm>

Assignment

Work on Project #3

Activity

Discussion Board Questions

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October 8

Federal Budgeting

1. Keith, Robert and Schick, Allen. *The Federal Budget Process*, Introduction to the Federal Budget Process and Chapter 1 – Overview of the Federal Budget, 2003.
2. Coven, Martha and Richard Kogan, "Introduction to the Federal Budget Process"
<http://www.cbpp.org/3-7-03bud.htm>
3. Center on Budget Priorities and Policies, "Federal Budget Outlook",
<http://www.cbpp.org/budget-slideshow.htm>

Assignment

Work on group project

Activity

Work on group project

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October 15

Cost Analysis

**** draft of spreadsheet for Project #3 is due ****

1. Kelley, Joseph, Chapter V "Core Cost Concepts," in *Cost Information and Government Decision Making: A Guide to Using Cost Information to Improve the Quality of Decision Making in Government*.
<http://home.xnet.com/~jkelley/Publications/Costing.fldr/Costing.html>
2. National Association of State Budget Officers, Module 6, "Analytical Methods for Budget Analysts", pp. 67-88.
http://www.nasbo.org/Publications/PDFs/training_modules.pdf

Assignment

Cost Analysis Questions

Activity

Post Draft of Spreadsheet for Project #3

Post Feedback on Project #3

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October 22

Intergovernmental Fiscal Relations

**** draft of Project #2 due ****

1. Nice, David, *Public Budgeting*, Chapter 10 – Intergovernmental Aspects of Public Budgeting, 2002.
2. Johnson, Craig L. and Mikesell, John L., “#47 The Richmond Unified School District Default” in *Case Studies in Public Budgeting and Financial Management*, Edited by Khan, Aman and Hildreth, W. Bartley, 2003.
3. Mercer, Monte and Kaplan, Alex, “Consortium Buying: Best Practices for Local Government Implementations,” *Government Finance Review*, February 2007, pp. 18-24.

Assignment

Turn in Draft of Project #2

Activity

Discussion Board – Richmond Unified School District Case Study

October 29

Capital Budgeting and Planning

Debt Financing and Management

**** Project #3 due ****

1. Westernbaum Nicole, “Managing the Capital Planning Cycle,” *Government Finance Review*, June 2004.
2. Canally, Greg, and Neitsch, Bruce, “Using Technology to Enhance Capital Planning and Budgeting,” *Government Finance Review*, Vol. 21, No. 6, December 2005, pp. 36-41.
3. Coe, Charlie, *Governmental and Nonprofit Financial Management*, Chapter Six – Debt Management, Vienna, VA: Management Concepts, 2007.

Assignment

Capital Project and Debt Questions

Activity

Post Project #3 Final Spreadsheet and PowerPoint Presentation

November 5

Financial Analysis

1. Groves, Sanford M., Godsey, W. Maureen, & Shulman, Martha A. (Summer 1981). "Financial Indicators for Local Government," *Public Budgeting & Finance*.

**** assign Project #4 ****

Assignment

Financial Trend Monitoring System (FTMS) questions

Activity

Discussion Board - Financial Analysis Case

November 12

Government Accounting and Financial Reporting

Auditing

1. Mead, Dean Michael. (2000). "Information About the Whole Government," Part Two in *What You Should Know About Your Local Government's Finances: A Guide to Financial Statements*, Norwalk, CN, pp. 7-30.
2. Harris, James, "Home Improvement: Changing Government Business Processes for Good with the Help of Technology," *Government Finance Review*, Vol. 21, No. 2, April 2005, pp. 36-40.

Assignment

Government Accounting and Financial Reporting Questions

Activity

Provide Feedback on Drafts of Project #2

November 19

Thanksgiving Recess – no class

November 26

Financial Policies

Internal Control

1. Fitch Rating Company. “The Twelve Habits of Highly Successful Finance Officers”, 2002.
http://www.fitchratings.com/corporate/reports/report_frame.cfm?rpt_id=160496§or_flag=&marketsector=3&detail=
2. Office of Management and Budget, *Circular A-123*, December, 2004.
http://www.whitehouse.gov/omb/circulars/a123/a123_rev.html

Assignment

Work on Project #2 and #4

Activity

Work on Project #2 and #4

December 3

Summary and Wrap-Up

**** Project #2 is due ****

Assignment

Turn in Project #2 Final PowerPoint Presentation with Narration

Activity

Work on Project #4

December 11

Finals Week - no final exam

**** Project #4 is due ****

Assignment

Project #4 State Financial Analysis Due
