

PAUS 8161
Professor Gregory Streib
Aderhold 2, Monday, 4:30-7:00pm
Course Number 81934

PUBLIC BUDGETING AND FINANCE

If you pay taxes to the federal government, you help pay the interest on trillions of dollars in U.S. debt. Find out why we pay the taxes we do, how this money is spent, who is slicing the national budget pie and why some slices are bigger than others. In this course, students will learn about the technical and political nature of public budgeting. In addition, students will engage in evaluation exercises of both a theoretical and applied nature. These include examination of current budget issues, assessment of recent academic research in the field of public budgeting and finance, and analysis of budgeting trends in a governmental or non-profit agency or program of the student's choice. This work requires student exposure to word processing, spreadsheets, and presentation software. While the primary focus of the course is federal budgeting and finance, consideration of state and local practices, with special focus on Georgia, is noted throughout the semester.

Books	Plagiarism
Office Hours	Grading
Midterm/Final Exam	Applicable Rubrics
Assignments	Course Outline and Schedule

Required Textbooks:

Robert D. Lee, Ronald W. Johnson, and Philip G. Joyce (2007). [Public Budgeting Systems](#), 8th edition. Jones and Bartlett Publishers, Sudbury, Massachusetts. ISBN: 0-7637-3129-3.

This books should be available in the university bookstore. I also recommend shopping on the Web to find the best prices. [This Web site might prove helpful](#). Please notify the instructor immediately, if you have problems getting this book. *Additional readings are available on the Vista course home page.*

Learning Objectives:

- Students should be able to describe and explain the theoretical foundations of public budgeting in the United States.
- Students should be able to demonstrate an understanding of the political, legal, economic,

social and cultural factors influencing budgets and budget making in America.

- Students should understand the theoretical and practical issues affecting monetary and fiscal policy decisions in the U.S. context.
- Students should be able to describe and explain the technical nature of public budgeting in the United States, including the timetables and rules typically used at the three levels of government.
- Students should be able to explain and compare the political aspects of budgeting with rational methods of resource allocation in the United States.
- Students should be able to make sound arguments for budget resources and specific budget decisions through the use of effective presentations, memos and position papers.
- Students should be able to effectively use Microsoft Excel to develop complex spreadsheets, meaningful analyses, and sophisticated graphics.

Applicable Rubrics for 8161 Writing Assignments:

Students will prepare written work in 8161, and the quality expectations will be high. These rubrics can help you to get a better understanding of what high quality written work should be like. They will be an important consideration in assigning grades. Apart from completing the assigned class tasks, assignments will need to meet the requirements for a score of 4 or 5 on the applicable rubrics to receive an A. This is a requirement that demands your careful attention. This is not an introductory class, and students will be expected to produce graduate school level work.

Argumentation: Offers valid, complete, and compelling warrants for all assertions

- 1 nothing but unwarranted assertions
- 2 some unwarranted and or some invalidly warranted assertions
- 3 assertions are validly warranted
- 4 all relevant assertions are validly warranted
- 5 offers valid, complete, and compelling warrants for all assertions

Audience: Recognizes and writes for the intended audience

- 1 seems unaware of an audience
- 2 vague awareness of an audience
- 3 aware but disregards audience
- 4 considers most of the audience's needs and objections
- 5 recognizes and writes for the intended audience

Citation: Cites sources correctly and effectively, making clear distinctions between the writer's ideas and sources'

- 0 plagiarism
- 1 appears to be quoting at times but provides no documentation (inadvertent plagiarism)
- 2 cites most sources but misses some and has some errors in citation mechanics
- 3 cites all sources with proper citation mechanics
- 4 cites all sources properly but doesn't fully integrate or assimilate the cited material with his or her own.
- 5 cites sources correctly and effectively, making clear distinctions between the the ideas of others and his or her own thinking.

Grammar and mechanics: The language clearly communicates the author's intentions

- 1 numerous different and disruptive errors
- 2 many different but less disruptive errors
- 3 a few primarily non-disruptive errors
- 4 a few inconsequential errors
- 5 the language clearly communicates the author's intentions

Knowledge: Understands the subject matter fully

- 1 misunderstands key concepts, draws false inferences
- 2 understands the concepts but is unable to draw inferences
- 3 understands the key concepts and draws valid inferences
- 4 understands all related concepts and draws valid and in some cases insightful inferences
- 5 understand the subject matter fully

Originality: Provides an original contribution to the subject

- 1 entirely derivative
- 2 a pastiche of other people's work on the subject
- 3 the author's own expression of work already done on the subject
- 4 original, but contributes only marginally to the subject
- 5 provides an original contribution to the subject

Research: Everything relevant to the subject

- 1 no research
- 2 some sources but of doubtful quality
- 3 most of the important sources
- 4 all of the important sources
- 5 everything relevant to the subject

Structure: Arranges elements in the best possible order for the intended audience

- 1 chaotic
- 2 associative, digressive, elliptical, or circular
- 3 arranges elements in an order that makes sense to the author
- 4 arranges elements in a conventional order
- 5 arranges elements in the best possible order for the intended audience

Office Hours:

I will hold formal office hours from 2pm-4pm on Monday in room 334 of the Andrew Young School of Policy Studies. Meetings can also be scheduled at a mutually convenient time. I will also be answering questions via telephone during office hours. You can reach your instructor by telephone at 404-413-0116. Stay on the line, if I am away, and you will get my voice mail. Electronic mail can be sent via the Internet to gstreib@gsu.edu. You can also Email me from our WebCT Vista home page. Fax messages can be sent to 404-413-0104. *Online office hours are available on request for students with access to a computer and a headset microphone.*



8161 On the Web:

The [course home page](#) can be found at this location. You will have problems using Vista if you do not do a browser tune-up. This is something that students are expected to do. Any other problems can be addressed by contacting [technical support](#). Contact your instructor immediately if these resources are inadequate in any way.

These course facilities are not to be used for personal vendettas, personal advertising, or for political or consumer marketing of any kind. Such postings will be removed immediately and without notice. Continued misuse of communication tools can result in dismissal from this course.

Midterm and the Final Exam:

There will be a midterm and a final exam in this class. The midterm can be completed at any location, but you will have a limited amount of time to complete your work. You will access the exam online and submit it online by the required deadline. The final will be available for one week, and it will also be accessed and submitted online. The midterm is a standard essay format, and the final must be in the form of a position paper. You will be able to practice submitting assignments online before anything is due.

Participation:

These night classes are fairly long, especially after many students have put in a hard day on the job. Classroom activities do seem to help keep everyone engaged. My experience has been that successful classroom activities share a number of characteristics: (1.) the work is confined to the class; (2.) there is some sort of a grade involved; and, (3.) students get to interact with each other in different ways and share ideas.

The approach I am going to take is the creation of student study groups. Students will be assigned randomly to study groups on the first night of class, and they will stay in the same group all semester. In some of the classes there will be time for the study committees to get together and share their ideas on a class topic or a homework assignment, and each group will also make a number of class presentations. There is no grade for participating in the groups, but there will be grades for the homework assignments that the groups will examine and discuss.

Homework Assignments:

There are a number of homework assignments in this class. All homework will be discussed in the study groups and posted on the class bulletin board. This gives everyone a chance to learn from the other students in the class. The assignments will be as follows:

1. **Spreadsheet Training:** Every student must complete at least 4 hours of Element K spreadsheet training (<http://www2.gsu.edu/~wwwwt/>). Beginners should complete Excel, Level One, and you can print a certificate documenting your accomplishment. More advanced users can focus on other skills like auditing worksheets, using financial formulas, and calculating moving averages. Students will discuss their training progress in the class

study groups, and they will post an overview of what they did on a class bulletin board. Grades will be based on the following factors:

- A. It is possible to obtain a certificate, and anyone with a certificate for Level One, Two, or Three has offered suitable evidence that this assignment was completed. Full credit also requires some comments about the lessons themselves and what was learned.
 - B. It is fine if you do not focus on obtaining a certificate, but a posting without a certificate should leave no doubts about your level of effort. What lessons did you work on? What was useful about them? Is there anything that you can recommend to others? A lengthy report is not required, but a list of lessons and times would be good--in addition to your comments.
2. **The State of Grace Exercise:** Study the budgetary trends in the State of Grace, using deflators and accounting for inflation. Students will post their work on a class bulletin board.
 3. **Least Squares Trend Line:** Develop a least squares trend analysis to estimate future energy consumption trends. Students will post their work on a class bulletin board.
 4. **Budgeting for a Job Training Program:** Develop a spread sheet to analyze the challenges facing a job training program. Students will post their work on a class bulletin board.

Class Written Assignments:

All class assignments must be submitted electronically from the class home page. Assignments will be available for at least 5 days preceding the submission deadline. *You can choose your own due date, since you can submit your work at any point during the availability period.*

Every document submitted should include your name, the date, and page numbers. Also, include your name as a part of every electronic file name. One thing to remember is that the Vista software does not like file names that contain spaces or special characters.

Assignment 1

Budget Action Memo: Effective arguments can often make a difference in budget debates. This assignment will help you to hone your skills. You must develop a memo that will spur action on a budget related issue. The goal of your memo can be to get your issue on a public agenda or to aid a policy choice (by presenting a single solution or a range of possible solutions). *The completed memos will be posted on a special class bulletin board as Word attachments.*

You should avoid ideological arguments. Your memo should make a case for action that can be understood by a broad audience. Readers of your memo should be able to fully understand that a solvable problem exists and recognize the need for action. As a general rule, people are good at spotting problems, but presenting

the problem in a way that commands action takes a bit more thought. Solvable problems are more likely to attract funding.

Students must cite all sources appropriately and have a minimum of three sources. The memos are also expected to have a meaningful title (meaningful for the audience--that is, the citizen or the contributor) and a conclusion that also provides a summary of key issues and/or arguments.

The memos should be one to three pages in length in a single spaced format. References can include newspapers, periodicals, Web sites, or even interviews. The style of the citations can vary, but it must be easy to access any information that has been cited. Any citations in the text should include a date and the author(s). Please use hyperlinks or footnotes for links to Web sites. There should not be any Web addresses mixed in with your text.

Apart from the specific instructions given here, the memos will be graded on whether they frame a problem in a way that could possibly be addressed by a government or nonprofit organization and how well they conform to the class rubrics. Some handouts will be provided to help you with this task

All assignments submitted in this class receive instructor comments. The comments will be sent via Vista Email or posted on the Vista assignment page, depending on how the assignment was submitted.

Assignment 2

Trend Analysis Report: It is often necessary to assess the financial condition of an organization, both at the present time and for the foreseeable future. For this assignment, you must choose a government, single agency or nonprofit organization and conduct an in-depth analysis of revenues and expenditures for the past six years. You are responsible for doing whatever research is needed to completely address all the required components of your report. It is likely that you can get the appropriate legislation, fiscal data, and budget documents off the Web, but personal interviews might also be useful. The approach you use is up to you.

Consider this to be a consulting report for a firm that has been asked to develop this analysis for a potential investor (as in the case of an economic development project) or a contributor. If you are looking at a single agency, you may want to think of this project as a component of a financial audit being conducted by GAO or

a similar oversight agency. Focus your work on providing the information that your client needs to make appropriate management decisions.

Your final product should be at least 10 typed pages, double-spaced, not including title page, tables, footnotes, references, etc. Please use standard margins and a standard font size. *You may complete this project with a partner*, but this is something that you will need to arrange. More information about this assignment will be provided on the class home page at an appropriate time.

Each trend analysis should contain the following components:

1. Identify organization mission, goals, and objectives;
2. Describe tax and non-tax revenue sources;
3. Describe expenditure categories and trends (using appropriate tables and graphics);
4. Assess the budgetary process--political, incremental, crisis oriented, results oriented, or a hybrid;
5. Identify future challenges--regarding revenues, expenditures, budget process, or other aspects;
6. Reach a conclusion about the fiscal capacity and stability of the organization you studied.

Apart from the specific instructions given here, the reports will be graded on how well they conform to the class rubrics. It will also be possible for drafts to be submitted for review, but they must be posted to a special bulletin board that the entire class can view. These postings are encouraged, as they should help to increase the quality of the projects.

A 5 minute oral presentation is also required. Each presentation should summarize the highlights of a trend analysis, and this will account for 50% of the presentation grade. An additional 25% will be based on how well the presentation conforms to the 5 minute time limit. The final 25% will be based on the utility of your analysis for decision makers. You need to focus on the most important information to get a top grade.

All assignments submitted in this class receive instructor comments. The comments will be sent via Vista Email or posted on the Vista assignment page, depending on how the assignment was submitted.



Plagiarism or Cheating:

Students plagiarizing or cheating in any form will face disciplinary action that could result in receiving an “F” in this course, or suspension or expulsion from the University. If a student is ever unclear as to what constitutes plagiarism or cheating regarding work on written or oral presentations, please consult the student handbook and/or consult your instructor. It is the student’s responsibility to know the meaning of plagiarism and when it occurs. The following is reprinted from the GSU Student Handbook:

Plagiarism is presenting another person’s work as one’s own. Plagiarism includes any paraphrasing or summarizing of the works of another person without acknowledgement, including the summarizing of another student’s work as one’s own. Plagiarism frequently involves a failure to acknowledge in the text, notes, or footnotes the quotation of the paragraphs, sentences, or even a few phrases written or spoken by someone else. The submission of research or completed papers or projects by someone else is plagiarism, as is the unacknowledged use of research sources gathered by someone else when that use is specifically forbidden by the faculty member. Failure to indicate the extent and nature of one’s reliance on other sources is also a form of plagiarism. *It is also plagiarism to reuse material you prepared for different courses in the same program.* The student is responsible for understanding the legitimate use of sources, the appropriate ways of acknowledging academic, scholarly or creative indebtedness, and the consequences of violating this responsibility.

In this class, the Budget Controversies Web Posting, the Midterm Exam and the Final Exam must be completed individually. The Trend Analysis may be completed by a student and their partner. These required assignments and exams are to be the **sole products** of the individual(s) whose name is on them.

Policy on Late Assignments:

There is a substantial penalty for late assignments. The grade on any assignment turned in more than 10 minutes after the deadline (by my time) will be reduced one half of a letter grade (5 percent). There will be another half letter grade reduction for each additional 6 hour period. Assignments will not be accepted when they are more than two days late.

Grading:

Final course grades will be determined as follows:

Course Component	Available Points
Homework Assignments	200
Budget Controversies Memo	150

Mid-Term Exam	200
Trend Analysis	200
Trend Analysis Class Presentation	50
Final Exam	200
	1000

Students must earn 900+ points to receive a grade of "A," 800+ points to earn a "B," and 700+ points to earn a grade of "C." Incomplete grades will only be given for nonacademic reasons when advance arrangements have been made. In this class, a B is the expected grade for good, competent work. Grades in the A range are reserved for excellent work. Excellent work goes beyond the minimum in some important way. Plus and minus grades will be used in this class for final course grades when a grade is within 10 percent of a lower or higher grade. For example, a final point total of 810 or less is a B-. Likewise, a score of 890 or above is B+. Note that there is no A+.

You will be able to check your scores on the class home page. Grades on the exams and the written assignments will be presented on a 100 point scale, so that you can better evaluate your performance. A weighted point total will be provided around the middle of the course, which will allow you to see how well you are doing.

COURSE OUTLINE AND SCHEDULE



Class One, August 20

Introduction to the Course

Goals: Learn the basic purposes of budgeting; get introduced to the "big picture" in terms of how

governments operate; and, develop a basic understanding of how budgets are produced.

Readings: Public Budgeting Systems (PBS), Chapters 1-2.

Class Two, August 27

Budget Cycles

Goals: Learn about budget processes a different levels of government.

Readings: Public Budgeting Systems (PBS), Chapters 3

Notice: The class study groups will meet to compare notes on the spreadsheet training.

Class Three, September 10

Budgeting for Revenues

Goals: Learn about the different types of revenues that are used to fund governments.

Readings: Public Budgeting Systems (PBS), Chapters 4-5.

Class Four, September 17

Budget Preparation

Goals: Learn about the different analytical tools that can be used to help focus budgets on policy goals.

Readings: Public Budgeting Systems (PBS), Chapter 6 and 7; Preparing a Budget (See Vista, and remember that you may need a copy for class). *The preparing a budget reading is a case that will be discussed in the study groups and in class.*

Deadline (September 20 at 5pm): You must post a short report on your spreadsheet training homework assignment. There will be a special bulletin board for this purpose.

Class Five, September 24

Spreadsheets and Trend Analysis

Goals: Put spreadsheet skills to good use by conducting a basic trend analysis.

Readings: State of Grace Exercise; Liner, Projecting Local Government Revenue (See Vista).

Notice: We will meet in room 720 of the AYSPS building.

Deadline (September 27 at 5pm): You must post your answer for the State of Grace homework assignment. There will be a special bulletin board for this purpose.

Class Six, October 1

No class Tonight. Work on your [budget action](#) memos.

Goals: Refine memo writing skills and learn more about a budgeting topic of personal interest.

Readings: Clear Writing; Framing a Problem; Memo Writing; Writing Tips for 8161 (See Vista).

Notice: Your instructor will be available in his office to answer your questions.

Notice: Remember that you are required to post a Word document on the budget controversies bulletin board. No other type of submission is required or encouraged.

Deadline (October 4 at 5pm): You must post your budget action memo prior to the deadline. There will be a special bulletin board for this purpose.

Class Seven, October 8

Budget Approval and Execution

Goals: Learn how budget plans are finalized and implemented.

Readings: Public Budgeting Systems (PBS), Chapters 8 and 10.

Notice: You may practice submitting an assignment in Vista after class tonight. It is a

good idea to practice for the exam next week. *All mid-term exams must be submitted on Vista, and there will be no exceptions.*

Notice: This the last class before the withdraw with a "W" deadline.

Class Eight, October 15

Mid-term Exam

We will not meet in our classroom. You may take the exam at the location of your choice. Most of the questions will be short answer. You may use any materials you like when working on the exam, but remember that there is a strict time limit. You will need a very good knowledge of the class materials to do a good job on the exam in the allotted time.

Notice: You will be able to access the exam on the Vista home page, and this is also where the exam will be submitted.

Deadline: (October 18 at 5pm): You must submit your midterm exam prior to the deadline.

Class Nine, October 22

Advanced Budget Analysis (Trend Analysis with Regression)

Goals: Learn how to analyze the budget and spending patterns of a government or nonprofit agency.

Readings: Johnson and Welch, Graphical Presentations (See Vista).

Notice: We will meet in room 720 of the AYSPS building.

Deadline (October 25 at 5pm): You must post your answer for the least squares homework assignment prior to the deadline. There will be a special bulletin board for this purpose.

Class Ten, October 29

Financial Management: Accounting, Auditing, and Information Systems

Goals: Learn how budgets are implemented.

Readings: Public Budgeting Systems (PBS), Chapters 11; Franzel and Buchanan, The Yellow Book: What you Need to Know About the 2007 Revision of Government Accounting Standards (See Vista).

Class Eleven, November 5

Capital Assets: Planning and Budgeting, Analysis, and Management

Goals: Learn about how to make good decisions about capital investments.

Readings: Public Budgeting Systems (PBS), Chapter 12.

Deadline (November 8 at 5pm): You must post your answer for the budgeting for a job training program homework assignment. There will be a special bulletin board for this purpose.

Class Twelve, November 12

No class Tonight. Work on your [Trend Analysis](#) reports.

Goals: Refine budget analysis skills and learn how budgets are made in the real world.

Readings: Clear Writing Handout, Document Tips for 8161 (See Vista).

Notice: Your instructor will be available in his office to answer your questions.

Class Thirteen, November 19

Trend Analysis Presentations

Goals: Learn more about trend analysis from seeing how others addressed this assignment.

Notice: Missing class or leaving early gets you a presentation score of zero.

Deadline (November 22 at 5pm): You must submit the trend analysis reports prior to the deadline. The reports must be submitted on the Vista homepage (not posted).

Class Fourteen, November 26

Capital Finance and Debt Management

Goals: Learn the key features of the intergovernmental fiscal system and how the US government manages the national economy.

Notice: There will be a guest speaker tonight, and you will be responsible for the material covered on the final exam.

Readings: Public Budgeting Systems (PBS), Chapter 13.

Class Fifteen, December 3

Theories of Budgeting

Goals: Develop a more refined perspective on the factors that drive the budgeting process. You will also learn more about why reform efforts are difficult.

Readings: Rubin; Position Paper: Know the Arguments (See Vista).

Notice: You may access the final exam at the end of this class. You will find it on the Vista home page.

Final Exam, Due on December 13 at 5pm

You may take the exam at the location of your choice. This will be an essay exam. You will have one week to complete the exam.

Notice: You must submit your exam on the Vista home page (not posted).



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