

UNIVERSITY OF SOUTH FLORIDA
Public Administration Program

PAD 6227 PUBLIC BUDGETING

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Objectives

- Examination of various perspectives on public budgeting.
- Analysis of the budget cycle and its institutional linkages.
- Discussion and evaluation of alternative budget formats and techniques.
- Review of basic Florida and Federal revenue structures.
- Appraisal of various initiatives for budget reform.
- introducing basic accounting rules that help managers understand and communicate managerial accounting principles.
- Review of other critical budgetary issues: performance measurement, monetary controls, intergovernmental fiscal relations, capital budgeting, and economic impact of the budget.

The course content is differentiated from that of a public finance course. This budget course does not emphasize topics such as economic aspects of taxation, issues of incidence and efficiency of taxes, cash flow analysis, cash management, cost – benefit analysis, computer utilization for solving problems of financial management, and other topics usually covered in financial management courses.

Procedures

- Instruction is a combination of lecture, discussion, and case analysis. Conceptual and practical elements of the budget are emphasized. Written assignments and class presentations are required.
- Grade is a total of: Final Test (45%); A Project (35%); Attendance/Participation (20%).
- Participation is evaluated on quality and relevance of contributions to class-discussions.
- More information on procedures & research projects offered during the first meeting.
- Incomplete grade (I) is allowed only if agreed to in advance, and in accordance with university rules.

Text: Lee, Johnson, and Joyce. 2008. ***Public Budgeting Systems***, 8th ed., Jones and Bartlett Publishers.

Recommended supplementary readings:

Irene S. Rubin. 2006. *The Politics of Public Budgeting*. 5th ed. CQ Press.

Thomas D. Lynch. *Public Budgeting in America*. Prentice-Hall.

John Mikesell. *Fiscal Administration*. Wadsworth.

Written assignment: The main research assignment is a team project, including empirical field study of an actual budget in a Florida city, county, or state government. Participants are divided into teams; each team adopts a real budget of a public organization. The task is to examine the adopted budget, interview the finance/budget people in the organization, and write analytical report that underlines the process, points out strengths and weaknesses, and suggests improvements. This report and the findings will be shared with the class through a presentation by the team. More details and illustrations will be offered by the instructor in the first meeting of

the class. This project is assigned 35% of the final grade. Due date is before November 15. The written report must be clear, organized, and analytical in style. Appropriate documentation, attribution and referencing are required.

Plan

I. INTRODUCTION

Defining Public Budgeting.
Various Perspectives on Studying the Budget.
Private and Public Budgeting Compared.
Evolution of the Current American Budget System.
Institutional Developments (OMB, GAO, CBO).

Read: Text, chs. 1-2.

Recommended:

1. F.C. Mosher, 1979. *The GAO...*
2. Mosher, Frederick, 1985, *A Tale of Two Agencies.*
3. Tomkin, S. L. 1998. *Inside OMB.*
4. Collender, S. E. 1999. *The guide to the Federal Budget.*
5. Rubin, Irene. *The Politics of Public Budgeting.*

II. BUDGET CYCLE:

Decision Process,
Preparation, Submission and Approval,

Read: Text, chs. 3, 6-11.

III. BUDGET CYCLE:

Implementation, Audit and Control

Read: Text chs. 10 and 11

Recommended

1. Mosso, David. 1999. Accounting for the Business of Government: New Goals, Old Myths. *PB&F*, (Winter 1999), 19, 4 (Winter).
2. Garner, C.W. 1991. *Accounting and Budgeting in Public and Nonprofit Organizations: A Manager's Guide.*
3. L. Herbert, L.N. Killough, and A.W. Steiss, *Governmental Accounting and Control*, (Brooks/Cole), 1984, Ch. 1-5.
4. Jreisat. 1998. "Management Audit," *International Encyclopedia of Public Policy and Administration*, Vol. 3, Pp.1329-1332. Also, "Performance Audit," *IEPPA*, Vol. 3, Pp. 1618-1623

IV. BUDGET FORMAT: Structuring Requests

Line-Item Approach
Program (Performance) Approach
Planning-Programming-System
Zero-Base Budgeting
Others

Read: 1. Text, chs. 10-12.

Recommended:

1. Sarant, *Zero-Base Budgeting in the Public Sector*.
2. Wildavsky and Caiden, *The New Politics of the Budgetary Process*.
3. Novick, ed., *Program Budgeting*, Chs. 1-3.
4. Morley and Hatry. 2001. *Comparative Performance Measurement*. Washington, D.C. The Urban Institute Press.

V. REVENUE SYSTEMS:

Federal Revenue Structure.
Florida Revenue System.
Intergovernmental Relations.

Read: 1. Text, chs. 4, 5 & 14

2. Rubin, Irene. 2006. *The Politics of Public Budgeting*. ch.2.
3. Florida: Larry Fuch. 1999. *Florida Trend* or St. Pete Times .
Special presentation on FL Revenue Structure.
4. Richard K. Harper, et.al. 2003. Price Effects around a Sales Tax Holiday.” *PB&F*, Vol. 23, No. 4.

VI. ATTEMPTS AT BUDGET REFORM

Chronic Budget BIssues and Problems
The Balance Question
Budget Act of 1974
Line Item Veto
Performance Measurement

Read: 1. Text, chs. 6 and 9.

2. Rubin, Irene. 2007. “The Great Unraveling: Federal Budgeting 1998-2006.” *PAR* 67 (4) Pp. 608-617. Also read the comment by G. William Hoagland on Irene Ruben’s piece in the same issue of *PAR*, Pp. 618-623..
3. Joyce & Reischauer. 1997. “The Federal Line-Item Veto...” *PAR*. 57, 2 (March/July).
4. Kravchuck and Schack. 1996. Designing Effective Performance-Measurement Systems under the Government Performance and Results Act of 1993. *PAR*. 56, 4 (July/August), pp. 348-358.
5. Katherine Willoughby. 2004. “Performance Measurement and Budget Balancing...” *PB&F*, Vol.24, No.2 (Summer).
6. David M. Walker, Comptroller General of the United States, “Ethics and Integrity in Government: Putting the Needs of Our Nation First.” ASPA National Conference, April 4, 2005.

Recommended:

1. Jreisat. 1990. "Productivity Measurement and Finance Officers in Florida," *Public Productivity & Management Review*, Summer, Pp. 315-329.
2. Lee and Burns. 2000. Performance Measurement in State Budgeting.. *PB&F*. 20, 1 (Spring).

3. Fisher and Joyce. 1997. Reflection on Two Decades of Congressional Budgeting, *PB&F*, 17, 3 (Fall).
4. Wanf, Dennis, and Tu. 2007. "Measuring Financial Condition: A Study of U.S. States." *PB&F*, 27 (2) (summer). Pp.1-21.

VII. CAPITAL BUDGETING

What is Capital Budgeting?
 Capital and Operating Budgets: Separation or Unification?
 Capital Improvement Program (CIP)
 Financing Capital Budgets

- Read:** 1. Text, chs. 12, 13.
 2. ICMA, "Planning for Capital Improvement," MIS Report, latest issue.

VIII. BUDGET AND FISCAL POLICY

Fiscal Policy and its Objectives.
 Instruments of Fiscal Policy.

- Read:** Text ch. 15.

IX GROUP PROJECTS & OVERVIEW

Bibliography

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- Axelrod, D. 1995. *Budgeting for Modern Government*. St. Martin's Press.
- Bennett, J.T. and T.J. DiLorenzo. 1983. *Underground Government: The Off-Budget Public Sector*, Washington, D.C.: Cato Institute.
- Berman, Larry. 1979. *The Office of Management and Budget*, Princeton University Press.
- Bland, Robert and I. Rubin. 1997. *Budgeting: A Guide for Local Government*. ICMA.
- Burkhead, J. and P. Bringewatt. 1977. *Municipal Budgeting: A Primer for Elected Officials*, Washington, D.C.: Joint Center for Political Studies.
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- Cebula, Richard J. 1987. *The Deficit Problem In Perspective*, Lexington Books.
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- Gruber, Jonathan. 2005. *Public Finance and Public Policy*. Worth Publishers.
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- Hitch, Charles J. 1965. *Decision-Making for Defense*, Berkeley, CA: University of California Press.
- Lee, Robert, Ronald Johnson, and Philip Joyce. 2008. *Public Budgeting Systems*, 8th ed. Jones and Bartlett Publishers.**
- LeLoup, Lance T. 1992. *Budgetary Politics*, 5th ed., Brunswick, Ohio: King's Court Communications.
- Lewis, Carol and Grayson Walker III, eds. 1984. *Casebook in Public Budgeting*, Prentice-Hall.
- Lynch, Thomas R. 1995. *Public Budgeting in America*, 4th ed., Prentice-Hall.

- Meyer, Annette. 2002. *Evolution of United States Budgeting*. Praeger.
- Mikesell, John L. 1995. *Fiscal Administration*. 4th. ed., Wadsworth.
- Mosher, Frederick C. 1979. *The GAO: The Quest for Accountability in American Govt.*, Westview Press.
- Novick, David, ed. 1965. *Program Budgeting*, Harvard University Press.
- Moraglio, Joseph. 1986. *The Federal Budget and Financial System: A Management Perspective*, Quorum Books.
- Pechman, Joseph A. 1987. *Setting National Priorities: The 1987 Budget*, the Brookings Institution.
- Pyhrr, Peter A. 1973. *Zero-Base Budgeting*, New York: John Wiley.
- Rubin, Irene S. 2000. *The Politics of Public Budgeting*, Chatham, NJ: Chatham House.**
- Sarant, Peter. 1978. *Zero-Base Budgeting in the Public Sector*, Addison-Wesley.
- Schick, Allen. 1995. *The Federal Budget*, Washington, D.C: The Brookings, 1995.
- _____. 1980. *Congress and Money*, Washington, D.C.: the Urban Institute.
- Shuman, Howard E. 1992. *Politics and the Budget*, 3rd ed., Prentice-Hall.
- Smith, Bruce and Carroll, James, eds. 1982. *Improving the Accountability and Performance of Government*, Washington, D.C.: Brookings Institution.
- Tomkin, Shelley Lynne. 1998. *Inside OMB: Politics and Process in the President's Budget Office*. Armonk, NY: M.E. Sharpe.
- Wanat, John, *Introduction to Budgeting*, Duxbury Press.
- Wildavsky, Aaron and Naomi Caiden. 2001. *The New Politics of the Budgetary Process*, 4th ed. NY: Longman

PAR= *Public Administration Review*
 PB&F= *Public Budget and Finance*