

# UNIVERSITY OF SAN FRANCISCO

## MPA 633 Public Sector Budgeting Course Syllabus

**“I hear and I forget. I see and I remember. I do and I understand.”  
Ancient Chinese Proverb**

### **COURSE DESCRIPTION**

This course examines the process of public sector budgeting from the perspective of planning and control. Budget formats are reviewed, as are techniques used to analyze budgetary data. Specific attention is given to forecasting, cost-benefit analysis, and cost-effectiveness analysis. The course requires students to deal with numbers, but generally, nothing more than algebra skills are needed.

### **COURSE LEARNING OBJECTIVES**

- Understand the difference between the technical and political aspects of budgeting and their individual importance.
- Describe the budgetary process at the state and local level and how it differs and relates to the process at the federal level.
- Describe the role of key actors in the budget process at the state and local level.
- Discuss the various types of budgets and the advantages and disadvantages of each type.
- Understand fund accounting and its relationship to the budgetary process.
- Understand the importance of forecasting and be able to discuss various techniques for forecasting revenues and expenditures.
- Be able to develop and critique budget documents.
- Be able to conduct cost-benefit and cost-effectiveness analyses.

### **REQUIRED TEXT**

Rubin, Irene S., The Politics of Public Budgeting, Chatham House Publishers, Fifth edition, 2006.

Budget Analysis Handbook provided by instructor.

Case studies posted on Blackboard.

John Mikesell, Chapter 4, Fiscal Administration, Wadsworth Division of Thomson Publishing, Sixth edition, 2003 (including appendix 4-1)

## **INSTRUCTOR**

James Nordin, D.P.A., is a retired Federal manager. He retired as the Western Regional Financial Management Director for the Food and Nutrition Service, USDA in San Francisco. Prior to that, he served as the Regional Director of the Office of Fiscal Operations for the Office of Human Development Services (OHDS) in San Francisco. He was Grants Officer and Head Start Bureau Chief for OHDS in Chicago. While most of his titles related to managing financial operations, his assignments were to "fix" poorly operating organizations. He took three organizations from "worst to first."

Dr. Nordin has a BA from Knox College, an MPA from Roosevelt University and a DPA from the University of Southern California.

Dr. Nordin has published three book reviews in three different journals and an article in the Public Administration Times. More important, last year six of his students had short papers published in the PA Times in a student symposium on ethics.

Dr. Nordin has been teaching graduate courses in Public Administration at San Francisco State University since 1995 on a part-time basis. He has taught Public Sector Budgeting, Financial Management in the Public and Non-Profit Sector, Public Policy, and the introductory course (Public Administration and Democracy) at both the graduate and undergraduate levels. At USF, Dr. Nordin has taught Organization Theory and Design as well as Introduction to Public and non-Profit Finance and Budgeting at the undergraduate level. At the graduate level at USF he is teaching Public Sector Budgeting as well as Economics and Finance for Public Managers.

## **INSTRUCTOR AVAILABILITY**

Dr. Nordin is available by phone at 707/372-3653 (cell) or by email at [jnordin@usfca.edu](mailto:jnordin@usfca.edu). He is also available for in-person consultation by appointment. He will generally be at the Sacramento campus at least one hour before class begins.

## **ADDITIONAL COMMENTS**

Pursuant to the Americans with Disabilities Act, Section 504 the Rehabilitation Act, students with disabilities who will need reasonable accommodations for this course should contact Disability Related Services (415) 422-2613 (v/tdd) within the first two weeks of this course. Students with Learning Disabilities may contact Learning Disability Services (415) 422-6876.

In the material which follows, "For this session" means that students should have completed the items before class begins for that session.

Students will only gain to the extent they put forth effort. In general, you will have approximately 2-3 hours of required reading for each session. However, to be prepared for a class session, you may have to read the material a second time or consult with your classmates or pose questions on Blackboard to fully understand some concepts. Remember, you are expected to spend **AT LEAST** two hours outside of class for every hour in class. The assignments are based on this minimum requirement. There are 168 hours in a week (24 times 7). You should get 8 hours of rest per night (8 times 7 = 56). Each of you probably works and commutes more than 40 hours per week, probably at least 50 - 60 hours per week. You will spend 4 hours per week in class and **AT LEAST** 8 hours preparing for class (some of you may spend 12 hours preparing for class) for a total of 12 - 16 hours for class related work. That leaves approximately 40 hours per week to devote to "domestic tranquility." In other words, there is no excuse for not being prepared for class! Be organized; be disciplined!

## **GRADING**

	<b>Percent</b>
In-class and Blackboard participation	20%
Written case analysis	20%
Group exercise and presentation	35%
Budget analysis handbook exercises	15%
Cost-benefit, cost-effectiveness exercise	10%
<b>Grand total</b>	<b>100%</b>

### Grading Scale

95-100	= A	80-82	= B-	67-69	= D+
90-95	= A-	77-79	= C+	63-66	= D
87-89	= B+	73-76	= C	60-62	= D-
83-86	= B	70-72	= C-	0-59	= F

### **COURSE/WRITING STANDARDS**

It is assumed that students will perform professionally in preparing work required for this course. Collegiate papers should always be typed or prepared on a laser or inkjet printer and printed on 20 or 24 lb. white bond paper. You are welcome to use any software program to prepare written assignments. Papers must be double-spaced and typed in the appropriate APA format.

Whenever you quote from, make reference to, or use ideas attributable to others in your writing, you must identify these sources in citations or in your bibliography, preferably in both. **If a student does not provide this attribution, whether deliberately or accidentally, s/he has committed plagiarism.** Plagiarism, defined as the act of stealing or using as one's own the ideas of another, is not permitted in college or university work or in any published writing. "Plagiarism may take the form of repeating another's sentences as your own, adopting a particular apt phrase as your own, paraphrasing someone else's argument as though it were your own." (Modern Language Association Handbook, New York: MLA, 1977, P.4) The sanctions for plagiarism range from reprimands and counseling to expulsion from the University. The appropriate sanction is determined by the University Committee on Academic Dishonesty. The University faculty may use Internet-based services to identify those portions of student written assignments that might not meet the full standards of academic integrity as defined in this statement.

Representing another's work as your own or closely adhering to the content or arrangement of work other than your own, without citation, will result in an "F" in this course.

Content, mechanics, style, and clarity of expression are all important grading criteria. Good papers demonstrate in-depth understanding of the course

content and the assignment objectives. They are also carefully written and revised, they use the English language correctly, and they have been proofread, spell checked, and grammar checked before they are submitted. Grading will be determined among:

Content. Your papers in this course will be divided between answering topical questions from the chapters and a major budget presentation paper due the last class session. For all written assignments, content is the most important criterion for grading. You should answer the question(s) assigned from the chapters. The requirements for the budget paper will be discussed at length in class.

Structure/format. Your papers must have an introductory and conclusion paragraph. Remember, your introductory paragraph must clearly state the purpose/thesis of your paper; and your conclusion paragraph must review the merits of your argument and offer any recommendations.

Research. No matter the structure, format, or style, you must be able to support your thesis and general arguments. Note: it is critical for you to research facts, statistics, theories, etc., to support your key points. This can come from course materials, the Internet, or other viable sources. I do not necessarily grade your viewpoint in this class but rather the information, obtained through your research, which you use to support such viewpoints.

Grammar/Punctuation. Clarity of expression is all-important. Good papers are carefully written and revised; they use the English language correctly. Don't forget to proofread all papers before you submit them. Note: poor writing may very well lead to questionable credibility. Don't let others get the wrong idea about you just because you can't write well. Additionally, today's public sector environment requires information to be presented in a brief, yet comprehensive, format. "Executive summaries" are becoming the norm in the executive ranks. Therefore, eliminate any superfluous words. Finally, ensure paragraph transitions are logical and maintain the flow of thought throughout the paper.

## **ATTENDANCE**

Attendance at all class sessions is mandatory. Class begins promptly at 6:00 p.m. and will dismiss at 10:00 p.m. Arriving late or leaving early may affect a

student's course grade. Should an unexpected emergency arise that will result in an absence or your inability to arrive at class on time, please contact me on my cell phone as soon as possible. One absence will not impact your grade. (One absence may consist of missing an entire session OR missing portions of several sessions.) Students who miss more than one session should expect to have their grade reduced by at least one-half grade. Students who miss more than two sessions should expect to fail the course.

### **LATE ASSIGNMENTS**

A full-grade deduction will be assessed for any assignment turned in within a week following the deadline. Another full-grade deduction will be assessed for each week of delay thereafter. No assignments will be accepted after the final day of class.

Absence from class does not excuse a student from the requirement to submit class assignments on the due date. Please email your assignments to the addresses on page two of this syllabus on the date the assignment is due.

### **CONFIDENTIALITY**

The nature of the course and the material requires us to discuss in class and in our papers certain aspects of our organizations. In all cases what is discussed in class is to remain in class. Students may in their papers disguise all references to their organizations so that confidentiality is preserved.

### **ASSIGNMENTS**

#### **Session 1**

#### **THE POLITICS OF PUBLIC BUDGETS**

#### **For this session.**

1. Rubin Chapters 1, (36 pages)
2. Budget Analysis Handbook (35 pages)
3. No written assignment due this session.

**Session Objectives.** By the end of this session, you will be able to:

- Understand governmental and non-governmental budgeting
- Understand the political context within which budgetary decisions are made
- Understand the difference between micro-budgeting and macro-budgeting
- Conduct a share analysis
- Conduct a variance analysis
- Conduct a trend analysis
- Conduct a revenue forecast
- Understand the strengths and weaknesses of each of the analytical techniques above

## **Session 2**

### **BUDGET PRESENTATION AND ANALYSIS**

**For this session.**

1. Rubin, Chapter 2 (38 pages)
2. AZ Prisons case study (14 pages)
3. Mikesell, Chapter 4 (including appendix 4-1) (52 pages)
4. Solutions to handbook exercises due

**Session Objectives.** By the end of this session, you will be able to:

- Understand the difficulty of generating revenues for governments
- Be able to explain interest group influence on revenue generation
- Understand the relationship between "reform" and power
- Understand the complexity and scope of budget preparation and review
- Describe the importance of the "words" of the budget request
- Identify all elements of cost for an acceptable budget
- Describe the workings of internal control on budget execution
- Understand the uses of "rosy scenarios" and what can be done to overcome them

### **Session 3**

#### **THE DYNAMICS OF CHANGING BUDGET PROCESSES**

##### **For this session.**

1. Rubin, chapter 3, 4 (70 pages).
2. AZ Prison case study

##### **Session Objectives.** By the end of this session, you will be able to:

- Be able to discuss the interweaving of technical budgetary rules with the political process
- Describe how this combination works at the macro and micro level
- Understand how the rules of the game impact the outcome of the game
- Be able to describe these processes at the federal, state and local level

### **Session 4**

#### **EXPENDITURES: THE POLITICS OF CHOICE**

##### **For this session.**

1. Rubin, chapter 5 (42 pages).
2. AZ Prison case solution due
3. AZ Prison case presentation due

##### **Session Objectives.** By the end of this session, you will be able to:

- Understand the roles and strategies of bureaucrats and interest groups in budget preparation
- Describe the ways the economy and the environment impact spending decisions
- Describe the differences and linkages between accountability and acceptability

## **Session 5**

### **THE POLITICS OF BALANCING THE BUDGET**

#### **For this session.**

1. Rubin, chapter 6 (43 pages).
2. City Council case study, sections a, b, and c. (11 pages).

#### **Session Objectives.** By the end of this session, you will be able to:

- Understand the difficulties and trade-offs of balancing a budget
- Be able to describe the motivations and convictions of the multiple actors involved in balancing a budget
- Appreciate the impact of the economy on balancing budgets
- Appreciate the stress and dissatisfaction caused because payers usually are not deciders on expenditures
- Compare deficits and balanced budgets among the federal, state and local levels of government

## **Session 6**

### **BUDGET EXECUTION; BUDGET IMPLEMENTATION AND CONTROL**

#### **For this session.**

1. Rubin, chapters 7, 8 (50 pages)
2. Cost-benefit/cost-effectiveness material on Blackboard
3. 5-7 page paper on City Council case study due

#### **Session Objectives.** By the end of this session, you will be able to:

- Understand the political and technical tools for changing a budget.
- Describe the Discretion-Abuse-Control cycle
- Understand the politics of finding fraud, waste and abuse

## Session 7

### BUDGETARY DECISION MAKING

#### For this session.

1. Rubin, chapter 9 (19 pages)
2. Turn in: cost-benefit; cost-effectiveness problems

#### Session Objectives. By the end of this session, you will be able to:

- Understand the utility of cost-benefit and/or cost-effectiveness techniques
- Understand various decision-making streams
- Gain a new understanding of "reform"

#### PERSONAL NOTE

It is important for students to understand my approach to Public Administration education. I was a practitioner for over 30 years. While I continued my education while I was working, my education was always for a purpose - how can I use this new knowledge to make me a better manager and to make the organization for which I am responsible more productive and a better place to work. I realized early on that, while I was a manager, I was an employee as well. If I wanted a pleasant work environment, that environment had to be available to all employees.

I also realized early on that the work of an organization is done by first-line staff. If productivity is to increase, then attention must be paid to those staff doing the work. That attention, I found, was best applied by asking them what to do, not telling them what to do. My job as a manager was to remove the barriers that prevented them from doing their job and providing the resources they needed to do the job. These are very difficult tasks, but very simple concepts.

I worked in Head Start for a number of years and learned that the most difficult skills in life are learned, not in a classroom, but at home. It is from interacting with our parents or care-givers that we learn that the sounds we hear mean things: our name, our food, our toys, our parents, and the myriad other words we eventually master. How do we learn that? By practice! No teacher lectures us; we do not read treatises on language development. We

listen and we try to imitate what we hear. We learn by doing. The same is true for adults. If you want to learn to be a public administrator, you must practice public administration. We will apply that lesson over and over in this course. This belief is summarized in the quotation at the beginning of this syllabus.

In my experience, the most important asset you can possess as a public administrator is credibility. Credibility comes from your knowledge of and skill in performing your job, your ethics, and your ability to present yourself convincingly. Therefore, your presentation and writing skills are paramount to your success.

I want every student to be successful. I measure success in terms of growth and improvement, not just in performance. Towards this end, if at any time there exists an impediment or barrier to reach your potential, please contact me or the University immediately. In most cases, modifications or accommodations can be made to ensure you succeed in all your future endeavors.

Finally, I have a passion for social equity. I abhor social discrimination. I believe in fair treatment for everyone. Ideas and people have value in and of themselves. We may disagree with ideas and other people, but we may never degrade or discount either. I have endowed the Gloria Hobson Nordin Social Equity Award with the American Society for Public Administration in honor of my late wife in order that social equity maintains high visibility perpetually in the public service.