

# Pub Pol 715: Budgeting and Financial Planning

Ford School of Public Policy

Winter 2016

## **Instructor:**

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Weill Hall

Office hours: Wednesday afternoons (Please sign up on Canvas)

**Canvas Website:** <https://canvas.uw.edu/courses/949718>

**Class Meetings:** Mondays and Wednesdays, 10:00 – 11:30, 1210 Weill Hall

**Course Description and Objectives:** The management of financial resources to achieve public goals pervades every area of public policy, but budgeting and financial management is an area usually left to “experts” who often seem to speak a foreign language. In today’s environment of scarcity and uncertainty, however, effective policymakers and public managers need to understand how to strategically manage their financial resources to achieve their goals. To that end, this course is designed to:

- Familiarize students with common public financial data and analysis methods
- Help students understand the financial aspects of policy and managerial decisions and how to use financial information to make better decisions
- Introduce theoretical and political perspectives that highlight themes in public finance and budgeting
- Help students gain confidence communicating financial information in multiple formats—written memos, spreadsheets, formal presentations, and informal conversations.

**Texts and Readings:** We will use two main textbooks, as well as various other readings that will be posted on our Canvas website. Class sessions for which there will be reading assignments posted on Canvas are denoted with a “\*” in the schedule below.

*Financial Management in the Public Sector: Tools, Applications, and Cases*

By XiaoHu Wang, 3<sup>rd</sup> Ed. (2014)

*The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing*

By Irene Rubin, 7<sup>th</sup> Ed. (2013)

## **Grading and Assignments:**

- **Group Assignments—50% of total grade**  
At the beginning of the semester, you will be assigned to groups of three for the following group projects. Detailed assignment descriptions will be posted on Canvas.
  - Resource Development Analysis--? (due 2/10)
  - Flexible Budgeting Exercise—A PPP Proposal for Olmsted's Pool (due 3/16)
  - Financial Condition Analysis—A Bond Rating for Brewer (due 4/18)
- **Class Participation—10% of total grade**  
For each class session, students are expected to arrive ready to discuss the assigned readings. This includes not only completing the readings, but thinking of critical questions, examples, extensions, etc. Students are encouraged to draw on their own professional experiences and on news and current events.
- **Final Exam/Quizzes—40% of total grade**  
Six optional short answer/multiple choice quizzes will be administered on Canvas approximately every two to three weeks (see schedule). The quizzes will be available after class on Wednesdays for 48 hours. They will be timed and open note. Students are expected to follow the University's policies on academic integrity and not communicate with one another about the contents of the quiz. The quizzes are designed to provide regular practice and feedback so that students can make sure they understand basic skills and concepts.

The final exam on Monday, April 25, 4:00 -6:00 p.m. will include questions similar in format to the quizzes, with some longer-form questions. The grade for this portion of the course (40% of the total) will be equal to the higher of the final exam score OR the quiz score average (15%) and final exam score (25%). In effect, quizzes can only help overall grades.

## **Other Course Policies:**

- Please let me know immediately if you have a conflict or disability that might inhibit you from meeting due dates or otherwise fully participating in the class. I will make appropriate accommodations.
- You are encouraged to bring a laptop or tablet to class, but please refrain from using it for non-class-related purposes.
- No extra credit.

## **Additional Resources on Public Financial Management**

Association for Budgeting and Financial Management ([abfm.org](http://abfm.org))

International City/County Management Association ([icma.org](http://icma.org))

Government Finance Officers Organization ([gfoa.org](http://gfoa.org))

Government Accounting Standards Board ([gasb.org](http://gasb.org))

National Association of State Budget Officers ([nasbo.org](http://nasbo.org))

Wallace Foundation—Resources for Nonprofit Financial Management

(<http://www.wallacefoundation.org/knowledge-center/Resources-for-Financial-Management/Pages/default.aspx>)

OECD—Budgeting and Public Expenditures (<http://www.oecd.org/gov/budgeting/>)

World Bank—Financial Management (<http://www.worldbank.org/en/programs/financial-management>)

| Date | Topic                                       | Readings |        |        | Assignments/Quizzes   |
|------|---|----------|--------|--------|-----------------------|
|      |   | Wang     | Rubin  | Canvas |                       |
|      | <b>Revenue Sources</b>                      |          |        |        |                       |
| 1/11 | Introduction                                |          |        | *      |                       |
| 1/13 | Revenue structure overview                  |          |        | *      |                       |
| 1/18 | (No class--MLK Day)                         |          |        |        |                       |
| 1/20 | Revenue assessment criteria                 |          |        | *      |                       |
| 1/25 | Income, sales, and excise taxes             |          |        | *      |                       |
| 1/27 | Property taxes and TELs                     |          |        | *      | Quiz                  |
| 2/1  | User fees and intergovernmental revenue     |          |        | *      |                       |
| 2/3  | Revenue management issues                   | Ch 2, 14 |        | *      |                       |
| 2/8  | Revenue forecasting                         | Ch 1     |        | *      |                       |
| 2/10 | Discuss first project                       |          |        |        | 1st project due, Quiz |
|      |   |          |        |        |                       |
|      | <b>Budgeting</b>                            |          |        |        |                       |
| 2/15 | Cost concepts                               | Ch 3-5   | Ch 2   |        |                       |
| 2/17 | Budget process                              |          | Ch 3   | *      | Quiz                  |
| 2/22 | Budget formats, tax expenditures            |          | Ch 4   | *      |                       |
| 2/24 | Politics of balancing the budget            |          | Ch 5-6 | *      |                       |
|      | (Break)                                     |          |        |        |                       |
| 3/7  | Capital budgeting and debt financing        |          |        | *      |                       |
| 3/9  | Tools for implementation                    | Ch 8     | Ch 7-8 |        |                       |
| 3/14 | Guest speaker                               |          |        |        |                       |
| 3/16 | Discuss second project                      |          |        |        | 2nd project due, Quiz |
|      |   |          |        |        |                       |
|      | <b>Financial Condition</b>                  |          |        |        |                       |
| 3/21 | Financial statement concepts and accounting |          |        | *      |                       |
| 3/23 | Statement of net position (balance sheet)   | Ch 9     |        |        |                       |
| 3/28 | Income/activity statement                   | Ch 10    |        |        |                       |
| 3/30 | Anatomy of CAFRs                            | Ch 11    |        | *      | Quiz                  |
| 4/4  | Financial condition analysis                | Ch 7, 12 |        | *      |                       |
| 4/6  | Financial condition analysis, cont.         |          |        | *      |                       |
| 4/11 | Improving financial condition               |          |        | *      |                       |
| 4/13 | Guest speaker                               |          |        |        | Quiz                  |
| 4/18 | Discuss third project                       |          |        |        | 3rd project due       |
|      |   |          |        |        |                       |
| 4/25 | Final Exam 4:00 - 6:00 p.m. Location TBA    |          |        |        |                       |