Tuesdays: 6:00 - 8:50 p.m.
Brighton 204

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Course Objectives
This course is designed to give you a basic understanding of the role of budgeting in the public sector. It covers budgeting at the federal, state, and local levels, but focuses on state and local budget and finance issues. Budgets are one of the most significant policy documents in the public domain. They reflect priorities, values, and power relationships. Although they have important technical aspects, budgets are fundamentally political statements. They reflect the choices that result from the political process. But the study of budgeting only begins with the production of a budget. Budgets, in their organizational contexts, are tools for organizational development and change. In addition to studying budgets as policy documents, we will study the managerial role and challenges in developing and implementing budgets. We will use actual budgets to illustrate budget development and implementation concepts throughout the course. In addition, students will choose a department budget to use as the basis for a variety of course assignments.

Students learning objectives for the course are:
• to develop an understanding of the political context of budget development at the federal, state, and local levels
• to develop a working knowledge of the California budget process, budget concepts, and budget terminology
• to learn some basic skills in budget development, analysis, and implementation
• to understand the role of budgets in the life of a state or local agency or department
• to gain an understanding of budgets as tools for accountability
• to develop some basic skills in the selection and use of performance measures in the context of performance budgeting
• to improve applied written and oral communication skills, including the presentation of budgetary information (this course will emphasize memo writing instead of more traditional academic writing)

Technology Requirement
This course contains numerous web-based class assignments and readings, and will rely on a class listserv for regular communication. Each student must have daily access to a computer with an e-mail account, Internet connection, and Adobe Acrobat.
Seminar Format
This is a participatory seminar—not a lecture class. If you come expecting to be told what was covered in the readings, you will be disappointed and unsuccessful. Effective class discussions require that you do the reading and come prepared to share your ideas with your classmates. We have the tremendous advantage that many of you, like me, work in the public sector. In our class discussions we will relate, whenever possible, the theories and concepts from the readings to our workday experiences.

Early in the course, you will be asked to identify a department or unit whose budget you will study and use for a variety of course assignments. These assignments will involve describing the budget process, identifying budget issues, summarizing department revenues, selecting performance measures, and preparing and defending a budget request. Those of you who work in public agencies may construct these assignments around real issues of importance to you in your work. Students who are not working in a public agency will need to identify an agency of interest and do some basic fieldwork (e.g. interviews, web site research) in order to gain an understanding of the unit and its budget issues.

I will use a variety of teaching approaches to try to keep the course interesting for everyone. Most often we will have class discussions oriented toward issues raised in the readings. We will also have student presentations, case studies, role playing, in-class exercises, and guest speakers.

Assignments and grading
There are four components to students’ grades:
• class attendance and participation, including weekly emails on readings – 25%
  Enrolling in this class is a commitment to me and to your student colleagues to attend the seminar. We all benefit from everyone’s contributions. It is not okay to miss class for any but the most unavoidable of reasons. Excessive absences will jeopardize successful completion of the course. In addition to "seat time," the quality of your participation in class discussions will be reflected in your grade.
• six short memos (1-2 pages) – 40%
• Mid-term quiz (take-home) – 15%
• Final: Budget Change Proposal (BCP) – 20%
Required Texts
Donald F. Kettl, Deficit Politics: Public Budgeting in its Institutional and Historical Context, 1992, Macmillan.
“Readings in Public Budgeting” – set of readings for purchase from Bookstore

Schedule of Class Sessions

Part I  The Context of Public Budgeting

Week 1: January 30  Introduction and Course Objectives

Week 2: February 6  The politics and dynamics of public budgeting processes

Readings
• Rubin, Chapters 1,3,4

Assignment
• Write a memo to me (2 pages maximum) describing your job (if you have one), how (if at all) your work relates to budgets, what other experience you have had with doing budgets, what you hope to get out the class, and what you found interesting (think of something!) in the Rubin chapters

Week 3: February 13  Budget Processes: Federal and California

Readings
• Schick, The Federal Budget, 1995, Chapter 3 “Mapping the Federal Budget Process” (Reader)
• “About the Congressional Budget Office”
• State Department of Finance’s Budget Analyst Guide (just to see that this useful reference web site exists)
• Description of California Budget Process from Dept of Finance web site
• General Budget timetable for California State Budget
• Elizabeth Hill, “The California Legislative Analyst’ Office,” (Reader)
• Legislative Analyst’s Analysis of the Governor’s 2000/01 Budget--four examples:
  • Department of Rehabilitation
• Department of Health Services
  http://www.lao.ca.gov/analysis_2000/health_ss/hss_8_DHS_4260_anl00.htm#_1_1
• California State University--read only the issue called “Convert the Governor's Teaching Fellowships Into An APLE Plus”--scroll down about three pages
  http://www.lao.ca.gov/analysis_2000/education/ed_hi_csuccc_anl00.htm#_1_1
• Air Resources Board
  http://www.lao.ca.gov/analysis_2000/resources/res_16_arb_3900_anl00.htm#_1_1

Guest Speaker: Cheryl Stuart (LAO, DOF, agency perspectives). Assistant Program Budget Manager, Health and Human Services

Assignment
• email discussion question to me (nshulock@csus.edu) by noon on Tuesday (something from the readings that would be interesting to discuss in class)

Week 4: February 20  Deficits, Budget Balancing, and Reforms (1)

Readings
•  Kettl, Chapters 1,2,3,4
•  Wildavsky and Caiden, Chapter 10 on Reform (Reader)

Assignment
• Weekly email by noon Tuesday
• email or hand in at class the name of the department or unit that you have chosen to focus on in this class (future memos and final Budget Change Proposal)

Week 5: February 27  Deficit, Budget Balancing, and Reforms (2)

Readings
•  Kettl, Chapters, 5,6,7
•  Rubin, Chapter 6

Assignment
• Weekly email by noon Tuesday
• Using the department or unit that you have chosen to focus on in this class, write a 1-2 page memo to the department or unit director, pretending he or she is new, and describe the process used in the department to prepare the annual budget. Spend at least a portion of the memo on the degree to which the budget process reflects power relationships and how it attempts (pretends?) to be rational/technical. Assignment may require you to interview a few people.
Part II: The Context of Public Finance

Week 6 March 6 Revenue Politics and Revenue Issues

Readings
- Rubin, Chapter 2
- Brunori, Chapters 1,2,7,11

Guest Speaker: Brad Williams, Legislative Analyst’s Office

Assignment
- Weekly email by noon Tuesday

Week 7 March 13 California State and Local Government Finance

Readings
- Browse the web site for PPIC for a few minutes in preparation for guest speaker
- California Budget Project article on Gann Limit and 2000-01 Budget
- California Budget Project budget brief, see 1996 briefs on Is CA a high tax state, and difference between tax, assessment, and fees or other, newer ones
- Overview of State Budget revenues

Guest Speaker: Fred Silva, Public Policy Institute of California

Assignment
- Weekly email by noon Tuesday
- Write a memo (2 page maximum) with any appropriate attachments of graphs or charts describing how your department is financed (i.e. general funds, user fees, special funds) and covering any other issues salient to the revenue picture for your department.

Week 8 March 20 Issues in State and Local Public Finance

Readings
- Brunori, Chapters 9,12
- Public Policy Institute of California, “For Better or For Worse: School Finance Reform in California,” February, 2000 -- read only Summary, Introduction, and Conclusion (Chapter 11)
- Assembly floor analysis (May 26), Senate floor analysis (Aug 19) and Governor’s veto message for AB 2412 (Migden) from 1999/2000 session
- ICMA Case Study, Chapter 2 “Developing the Tax Base” (Reader)
- ICMA Case Study, Chapter 3, “Estimating Revenues” (Reader)
Guest Speaker: Betty Masuoka, Assistant City Manager, City of Sacramento

Assignment
• Weekly email by noon Tuesday

Part III: Practical Applications in Budgeting

Week 9 March 27 Budget Proposals and Priorities

Readings
• Rubin, Chapter 5
• Bland and Rubin, Chapter 3 (Reader)
• State Department of Finance: how to write an effective BCP
• State Department of Finance examples of good BCPs--read three:
  • Commission on Improving Life Through Service
  • Statewide Child Welfare Services Monitoring Unit
  • California School for the Blind
• State Department of Finance--information on performing budget analysis

Assignment
• Weekly email by noon Tuesday
• Write a memo (maximum 2 pages) to department head (the one you have chosen for class assignments) suggesting a possible budget request for next year; outline some of the issues and possible rationale

Week 10 April 3 Implementing and Managing Budgets

Readings
• Rubin, Chapter 8
• Bland and Rubin, Chapters 5,6 (Reader)
• ICMA Cases, Chapter 5 (Reader)

Assignment
• Weekly email by noon Tuesday
Week 11  April 17  Eureka Budget Simulation; Update on California Budget Development

Readings
None

Guest Speaker: Tim Hodson, Executive Director, Center for California Studies, California State University, Sacramento

Assignment
• Take home “mid-term” quiz
• Write a memo to me (2 page maximum) on the status of a significant budget issue in the proposed 2001/02 State Budget (what has been proposed, what LAO has recommended, what are the political issues and positions of various parties). Use a few sources other than the Governor’s Budget and LAO Analysis, like news coverage in the Sacramento Bee, interviews with legislative staff, etc.

Week 12  April 24  Performance Management and Performance Budgeting

Readings
• Government Performance and Results Act
• Walters, Measuring Up, 1998, Chapter 8 -- Performance-based Budgeting in the Real World (Reader)
• LAO: "Performance Budgeting: Will it Change the Budget Process?” from 1996/97 Perspectives and Issues

Assignment
• Weekly email by noon Tuesday

Week 13  May 1  Developing Performance Measures -- Best Practices

Readings
• State of Missouri “Show Me Results”
• About California Department of Corrections

Guest Speaker: Teresa Rocha, Chief Deputy of Operations; California Department of Corrections
Assignment
- Weekly email by noon Tuesday
- In reference to the unit budget for which you plan to write your final project, write a memo to the director outlining the performance measures that you propose to use to demonstrate performance and accountability for the use of resources. Keep the list of measures to about 5. Briefly explain why you chose each measure.

Week 14 May 8 Developing Performance Budgets -- Best Practices

Readings
- Overview of Virginia’s performance-based budgeting process
- State of Virginia—presentations on performance management and budgeting click on “Implementing Performance Budgeting in Virginia” (May 1998)
- State of Missouri Budget Instructions for State Agencies scroll to bottom and read Attachments 1,2, and 3
- Prince William County, Virginia Read “Strategic Based Outcomes Process” and “FY 2000-01 Fiscal Plan Initiatives
- City of Bellevue, Washington 2001-02 Preliminary Budget, Chapters 1 and 7(a)

Assignment
- Weekly email by noon Tuesday

Week 15 May 15 Ethics of Public Budgeting; Wrap Up; Begin presentations of BCPs

Readings
- Lewis, Introduction and Chapter 1 (Reader)
- “A New Ethics of the Budgetary Process,” (Reader)

Assignment
- Weekly email by noon Tuesday

Week 16 May 22 Final Exam Week: Conclude presentations of BCPs