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 and implementation 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 your work. Students who are not working in a public agency will need to identify an agency of interest and do some basic field work (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. I will draw heavily upon the weekly email questions submitted by students. This will ensure that class discussions are directed toward issues that students have found interesting. We will also have student presentations, case studies, role playing, in-class exercises, and guest speakers. The emphasis in class discussions will be on key issues and concepts as opposed to specific facts and techniques

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

- Elizabeth Hill, Legislative Analyst, *California Tax System: A Primer*, January, 2001 (Booklet to be distributed in class—at no charge to students)
- “Readings in Public Budgeting” – set of readings for purchase from Bookstore
- A variety of internet readings will also be required.

Schedule of Class Sessions

Part I Theory and Context of Public Budgeting

Week 1: January 29  
Introduction and Course Objectives

Week 2: February 5  
The politics and dynamics of public budgeting processes

Readings
- Rubin, Chapters 1,3,4

Assignment
- Memo 1: Write a memo to me (2 page maximum) describing your job (if you have one), how (if at all) your work relates to budgets, what other experience you have had with public budgeting, what you hope to get out the class, and what you found interesting (think of something!) in the Rubin chapters. Look at sample memo formats on course web page for guidance in structuring your memo.

Week 3: February 12  
The Federal and State of California Budget Processes

Readings
- Schick, *The Federal Budget*, 2000, Chapters 2,5,6 (Reader)
- “About the Congressional Budget Office”
- Description of California Budget Process from Dept of Finance web site
- General Budget timetable for California State Budget
- History of Budgeting

Assignment
- email discussion question to me (nshulock@csus.edu) by noon on Tuesday (see explanation of assignment and sample questions on course web page)
Week 4: February 19    Budgeting as Policy Making

Readings
- Thurmaier and Willoughby, Chapter 2 (to be distributed in class)
- Bland and Rubin, Chapter 4

Assignment
- Weekly email by noon Tuesday
- Memo 2: Using the department or unit that you have chosen to focus on in this class, write a memo (2 page maximum) 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. Address both the process for preparing the budget request and that for preparing the actual budget allocations, once the department budget has been determined. Address as well how the budget process reflects power relationships within the department or agency. Assignment may require you to interview a few people.

Guest Speaker: Cheryl Stewart, Department of Finance

Week 5: February 26    Deficits, Budget Balancing, and Reforms

Readings
- Kettl, entire book

Assignment
- Weekly email by noon Tuesday

Part II: The Context of Public Finance

Week 6: March 5    State-level Finance Issues

- Rubin, Chapter 2
- Legislative Analyst’s Office, California Tax System: A Primer
- Overview of State Budget revenues

Guest Speaker: Brad Williams, Legislative Analyst’s Office

Assignment
- Weekly email by noon Tuesday

Week 7: March 12    County-level Finance Issues

Readings
- Shires, Patterns in California Government Revenues Since Proposition 13
Guest Speaker
- Russ Fehr, Principal Administrative Analyst, Sacramento County

Assignment
- Weekly email by noon Tuesday
- Memo 3: Write a memo (2 page maximum) with any appropriate attachments of graphs or charts describing how your department’s budget 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 19 Local Government Finance

Readings
- City of Sacramento Budget

Guest Speaker: Betty Masuoka, Assistant City Manager, City of Sacramento

Assignment
- Weekly email by noon Tuesday

SPRING BREAK

Part III: Practical Applications in Budgeting

Week 9: April 2 Budget Proposals and Priorities

Readings
- Rubin, Chapter 5
- Bland and Rubin, Chapter 3
- State Department of Finance: how to write an effective BCP
- State Department of Finance examples of BCPs:
  - Commission on Improving Life Through Service
  - California School for the Blind
  - Adult Programs Integration and Demonstration Projects (Reader)
  - Licensing and Background Check Systems Enhancements (Reader)

Assignment
- Weekly email by noon Tuesday
- Memo 4: Write a memo (maximum 2 pages) to department head of your chosen agency or department suggesting a possible budget request for next year; outline some of the issues and possible rationale.
Week 10: April 9  Budget Analysis

Readings
• LAO analyses (links to selected items will be provided once the LAO analysis is posted to the web)
• State Department of Finance--information on performing budget analysis

Assignment
• Weekly email by noon Tuesday
• Memo 5: Write a memo to me (2 page maximum) about one of the LAO analyses included in this week’s readings. Briefly describe the issue (the Governor’s proposal and the LAO recommendation) and discuss the analytical approaches used by the LAO. Comment on the strengths and weaknesses of the analysis.

Week 11: April 16  Budget Balancing: Eureka Budget Simulation; Update on California Budget

Readings
None

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

Assignment
• Take home “mid-term” quiz due in class

Week 12: April 23  Implementing and Managing Budgets

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

Assignment
• Weekly email by noon Tuesday

Week 13: April 30  Performance Management and Performance Budgeting

Readings
• Government Performance and Results Act
• The President’s Management Agenda Read only these sections:
  • President’s Message
  • Improving Government Performance (pp. 3-8)
  • Budget and Performance Integration (pp. 27-30)
• Bland and Rubin, Chapter 5
• Walters, Measuring Up, 1998, Chapter 8 -- Performance-based Budgeting in the Real World (Reader)

Assignment
• Weekly email by noon Tuesday
• Memo 6: In reference to the unit budget for which you plan to write your final BCP, 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 7

Developing Performance Measures and Budgets -- Best Practices

Readings (subject to change as updated information becomes available on web)
• State of Missouri “Show Me Results”
• State of Missouri Budget Instructions for State Agencies scroll to bottom and read Attachments 1,2, and 3
• 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)
• 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 14

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 21

Final Exam Week: Conclude presentations of BCPs

Assignment
• Final Budget Change Proposal due at beginning of class