

**Syllabus for PPA 230 Public Budgeting and Finance
Fall 2016**

Lecture: Thursday 6-8:50 PM, Room ARC 3004

**Office Hours: Thursday 5-6 PM at in lounge outside of ARC 3004 or by Appointment
(preferably near the State Capitol)**

Lecturer: Christian Griffith

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Goals of the Course

This course provides a comprehensive overview of Public Finance that uses primary documents and forms to allow for experiential learning so that the lessons can be applied in your career. Here are the goals of the course:

- Learn and apply the basic principles of how budgets of public sector entities are developed:
 - How are budgets built and agreed upon?
 - Why are special funds challenging to budget?
 - How do budgets vary in different agencies and policy areas?
- Gain insight into the perspective of various stakeholders in public finance:
 - Who are the key stakeholders in the budget process?
 - How does the budget itself guide day-to-day operations of public entities?
 - What types of approaches do decision makers use to evaluate budget requests?
 - How does the local-state relationship play such a key role in California public finance?
- Leverage this knowledge to improve your effectiveness at work:
 - Why is budgeting for staff so important, but also so difficult?
 - What are some persuasive arguments you can use to advocate for resources?
 - What are likely to be the big policy issues that fiscal staff will talk about in California in 2017?

Schedule and Readings

I have identified readings for each meeting. The more you diligently read these documents, the more our time together can be a discussion rather than a lecture. Since this is my first time as the instructor for this course, I may add some readings over the course of our semester to add to our discussion. However, I will make sure all readings are free, public domain documents.

| Date | Topic | What you need to do BEFORE this class: |
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| 9-1 | Introductions to budgeting <ul style="list-style-type: none">• Introductions• The many facets of budgeting• Anticipating the Future• The Dashboard | First class Assignment handed out in class: Budget Forecast |

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| | <ul style="list-style-type: none"> Forecasting Exercise (Handout in class) | |
| 9-8 | <p>General Fund versus Special Fund—and how they play together</p> <ul style="list-style-type: none"> Compare Forecast with Actuals How do you react? Why have Special Funds? Tricks we have used | <p>Assignment Due: Bring your completed forecast—no more than one page.</p> <p>What you need to read/watch:</p> <ul style="list-style-type: none"> Watch this video before the class: LAO State Budget 101 Video on State Spending http://lao.ca.gov/Videos/Player?playlistId=4&videoId=8 Read this before class: Government Accounting Standards Board discussion of fund types: http://gasb.org/cs/ContentServer?c=GASBContentC&pagename=GASB%2FGASBContent_C%2FUsersArticlePage&cid=1176156737123 |
| 9-15 | <p>A look at public budgets: federal, state, and local budgets:</p> <ul style="list-style-type: none"> Similarities and differences Which choices were the hardest? Different roles, different challenges | <p>Assignment Due: Complete and either print out or email me the results of the following budget exercises:</p> <ul style="list-style-type: none"> The Next 10 Budget Challenge for the federal budget: http://www.federalbudgetchallenge.org/pages/overview The Next 10 Budget Challenge for California: http://www.budgetchallenge.org/pages/home The City of Los Angeles 2013 Budget Challenge: http://la.budgetchallenge.org/pages/overview City and County of San Francisco Budget Challenge: https://sf.budgetchallenge.org/pages/overview <p>Watch this video before the class:</p> <ul style="list-style-type: none"> LAO State Budgeting 101 Video on State and Local Governments: http://lao.ca.gov/Videos/Player?playlistId=4&videoId=7 |
| 9-22 | <p>How budgets are built?</p> <ul style="list-style-type: none"> State budget process | <p>Read these:</p> <ul style="list-style-type: none"> A useful California Budget flowchart |

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| | <ul style="list-style-type: none"> • Federal budget process • An sample local process • Players and politics • Types of budgeting approaches--Baseline, Zero-Based, Performance-Based | <p>http://calbudgetcenter.org/wp-content/uploads/Navigating-the-State-Budget-Process-12.2015.pdf</p> <ul style="list-style-type: none"> • The Department of Finance budget timeline (scroll through each month, but start notice that it starts in April) http://dof.ca.gov/budget/general_budget_timetable/index.html • A high-level walkthrough of the State budget process https://www.nationalpriorities.org/budget-basics/federal-budget-101/federal-budget-process/ • A report on Performance Based Budgeting: http://pmc.cdt.ca.gov/pdf/Performance-Based-Budgeting-Report-Berkeley.pdf • A report from the Governor's Financial Officers Association http://www.gfoa.org/sites/default/files/GFOAZeroBasedBudgeting.pdf <p>Assignment handed out in class: Personal Zero-Based Budgeting and Performance-Based Budgeting exercise.</p> |
| 9-29 | <p>How to ask for things in the budget</p> <ul style="list-style-type: none"> • Budget Change Proposal critique • Writing effective proposals • Subvention | <p>Assignment Due: Turn In complete Personal Zero-Based and Performance-Based Budgeting Assignment</p> <p>Read the following:</p> <ul style="list-style-type: none"> • Department of Motor Vehicles asked for money: http://web1a.esd.dof.ca.gov/Documents/bcp/1617/FY1617_ORG2740_BCP222.pdf • The Energy Commission asked for money: http://web1a.esd.dof.ca.gov/Documents/bcp/1617/FY1617_ORG3360_BCP393.pdf • Department of Veteran Affairs asked for money: http://web1a.esd.dof.ca.gov/Documents/bcp/1617/FY1617_ORG8955_BCP461.pdf • How to write an effective Budget Change Proposal |

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| | | <p>http://dof.ca.gov/budget/resources_for_departments/budget_analyst_guide/effective_BCPs.html</p> <ul style="list-style-type: none"> • The Department of Social Services Subvention Binder (Check out the “detail tables, caseloads, and estimate methodologies” • http://www.cdss.ca.gov/cdssweb/PG4985.htm <p>Assignment handed out in class: Write a GOOD Budget Proposal using the official State form.</p> |
| 10-6 | <p>Budget request exercise</p> <ul style="list-style-type: none"> • Writing versus reviewing a request • Advocacy • Criteria for evaluating requests | <p>Assignment Due: Complete your DF-46 Narrative</p> <ul style="list-style-type: none"> • Here are the instructions from DOF (But make sure to follow mine instead) http://dof.ca.gov/budget/resources_for_departments/budget_forms/documents/BCP%20Instructions%20August%202015.doc • Here is the form you need to use: http://dof.ca.gov/budget/resources_for_departments/budget_forms/documents/DF-46_Cover_Sheet_Aug-2015.doc |
| 10-13 | <p>Evaluating the choices at the ballot box</p> <ul style="list-style-type: none"> • Discuss ballot-box budgeting • Significant State Propositions • Examples of Local Measures | <p>Read this:</p> <ul style="list-style-type: none"> • Secretary of State Ballot Pamphlet for November 2016 http://www.sos.ca.gov/elections/upcoming-elections/general-election-november-8-2016/ (A better link will be available when we get closer to the election) |
| 10-20 | <p>Budgeting for Capital Projects</p> <ul style="list-style-type: none"> • How do you pay for these? • Net present value—time equals money • Funding big projects • Project approval • Information technology | <p>Read the following:</p> <ul style="list-style-type: none"> • California 5-Year Infrastructure Plan, 2016 (Pages 1-9) http://www.ebudget.ca.gov/2016-Infrastructure-Plan.pdf • 2016 High Speed Rail Business Plan (Executive Summary and Sections 5 and 6) http://www.hsr.ca.gov/docs/about/business_plans/2016_BusinessPlan.pdf • California Statewide Transportation Needs Assessment (Executive Summary Only) http://www.catc.ca.gov/reports/2011Reports/2011_Needs_Assessment_updated.pdf |

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| | | <ul style="list-style-type: none"> • A depressing report card on US infrastructure from the American Society of Civil Engineers (Take a look at the overall U.S. numbers and then check out a few states to see how things look) http://www.infrastructurereportcard.org/ |
| 10-27 | <p>Working within a budget</p> <ul style="list-style-type: none"> • Encumbrances • The “blanket” • Why do public agencies order supplies in March? • Why is this statement true: “Cash Rules Everything Around Me”? • The Role of Control Agencies • Overhead | <p>Read this:</p> <ul style="list-style-type: none"> • The California State Administrative Manual’s description of encumbrances: http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam_master/sam_master_file/chap8300/8340.pdf • State Administrative Manual attempts to explain the Salary Blanket http://www.documents.dgs.ca.gov/sam/SamPrint/new/sam_master/sam_master_file/chap6000/6518.pdf • The State of California runs out of cash. http://www.sco.ca.gov/eo_pressrel_PR08_065.html • The Controller discusses the State’s Cash situation in 2008 http://www.sco.ca.gov/eo_pressrel_PR08_065.html • DOF Fund Reconciliation Guide (Skim this document) http://dof.ca.gov/Accounting/Policies_And_Procedures/Fund_Reconciliation/documents/DFB303_2016_Guide_FINAL.pdf |
| 11-3 | <p>How to cut your budget</p> <ul style="list-style-type: none"> • Politics, stakeholders, process, and priorities | <p>Read this report and bring it to class:</p> <ul style="list-style-type: none"> • Governor’s 2016-17 Proposed Budget, Environmental Protection Section http://www.ebudget.ca.gov/2016-17/pdf/BudgetSummary/EnvironmentalProtection.pdf • Cap and Trade Revenues: Strategies to Promote Legislative Priorities by the Legislative Analyst’s Office http://lao.ca.gov/Publications/Report/3328 |

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| | | <ul style="list-style-type: none"> • Agenda for Assembly Budget Subcommittee #3 hearing on Cap and Trade (Issues 2-3 Pages 5-16) http://dof.ca.gov/budget/manual_state_funds/index.html <p>Review this website</p> <ul style="list-style-type: none"> • Options for Reducing the Deficit: 2015 to 2024 https://www.cbo.gov/budget-options/2014 <p>Assignment: Budget Reduction Exercise</p> |
| 11-10 | <p>Budget cut exercise</p> <ul style="list-style-type: none"> • Budget Reduction Presentations • Adopting the final budget vote | <p>Assignment Due: Prepare your budget reduction exercise</p> <p>Reading:</p> <ul style="list-style-type: none"> • Budget Cut Exercise Packet, will be distributed on November 3rd. |
| 11-17 | <p>Revisiting the State budget, special funds, audits</p> <ul style="list-style-type: none"> • Audits • The silver lining of audits • How to find money | <p>Readings for this class:</p> <ul style="list-style-type: none"> • Manual of Special Funds homepage http://dof.ca.gov/budget/manual_state_funds/index.html • A description of the “Single Audit” http://dof.ca.gov/Programs/OSAE/Audit_Reports/Single_Audit_Reports/ <p>Assignment: Final Assignment Budget Issue Memo</p> |
| 11-24 | Thanksgiving Day, No Class | Eat |
| 12-1 | <p>A look forward to 2017</p> <ul style="list-style-type: none"> • US and California economic outlook • What will the hot budget topics in 2017 • New President, new Congress, new Legislature | <p>Read:</p> <ul style="list-style-type: none"> • LAO 2016 November Outlook (Link forthcoming) • International Monetary Fund World Economic Outlook (Link forthcoming) |
| 12-8 | <p>Final Review, Final Paper</p> <ul style="list-style-type: none"> • Final Presentations • Revisiting Forecasts | Final Assignment Due |

CLASS ATTENDANCE I expect students to attend all class sessions unless they have a compelling reason not to do so. Please notify me in advance if you need to miss a class. Except under unusual circumstances, a student who misses three classes will be penalized one entire grade (e.g. an A- for the course will become a B-), and a student who misses more than three classes will receive a failing grade.

SPECIAL NEEDS RELATED TO DISABILITIES Should you need assistance with portions of class due to disabilities, please let me know as soon as possible. The University offers services to student with disabilities and I would be glad to refer you to the appropriate campus unit.

ACADEMIC HONESTY I take issues of academic honesty (including avoiding plagiarism) seriously and you should as well. If you are unfamiliar with the specifics of University policy in this area I recommend you review the appropriate section of the on-line University Policy Manual: <http://www.csus.edu/umannual/AcademicHonestyPolicyandProcedures.htm>.

LATE ASSIGNMENTS I will accept late assignments (or allow for a make-up assignment) only in unusual circumstances. Whether or not a penalty will be assessed depends on the reason (e.g., a family emergency constitutes a good reason for missing a deadline; a competing requirement for another course does not.

Grading

| Percent | Assignment |
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| 5 | #1 Budget Forecast |
| 5 | #2 Budget Exercises |
| 5 | #3 Zero-Based/Performance Based Budget |
| 25 | #4 Budget Proposal/Presentation |
| 25 | #5 Budget Reduction Exercise/Participation |
| 30 | #6 Budget Issue Memo/Presentation |
| 5 | Class Participation |