

California State University Sacramento
Public Policy and Administration

Public Budgeting and Finance

Fall 2015

Thursdays 6 pm – 8:50 pm

Amador Hall 314

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Introduction

This course is designed to give you a basic understanding of the role of budgeting in the public sector. Budgets are one of the most significant policy documents in the public domain. Adopted budgets reflect priorities, values, and power relationships. The act of developing budgets draws heavily on both technical and political expertise. After they are adopted, budgets require implementation and monitoring, and can be tools for organizational management, development, and change. Public administrators have a central responsibility to understand where resources are allocated and how they are being used. Budgeting and finance are in part the art of balancing this mix of technical, policy, and political considerations. Becoming comfortable with the budget development process, and the many technical components thereof, is an overriding goal for this course.

Course Objectives

After taking this course, a student should be able to:

- Identify reasonable alternatives to address state and local budget and fiscal problems.
- Analyze and evaluate alternatives for addressing state and local budget and fiscal problems, and offer solutions to these problems based upon this analysis.
- Use different analytical skills and tools strategically in the examination of budget and fiscal issues.
- Understand your obligation to advance public value when considering how to raise and expend public funds.
- Consider the ethical dimensions of choices in the realm of state and local finance.

Format of Course and Expectations of Students

This is a participatory seminar, and not a traditional lecture class. Effective class discussions require that you have completed the assigned readings and come prepared to share your questions and ideas with your fellow students and our guest speakers.

In addition to the required readings, you should stay current on fiscal issues by reading *The Sacramento Bee* and other news sources from around the state. Rough and Tumble (rtumble.com) collects articles about California government and politics from all major state news sources each day, and is a popular site with almost all state policy folks.

Assignments and Grading

Assignments are designed to give you hands-on experience and encourage the reading of materials.

- 5%: Budget Memo
- 10%: Next 10 report
- 10%: Opinion piece on Proposition 13
- 30%: Midterm exam
- 35%: Final exam
- 10%: Participation

Budget Memo – due 5 pm on Wednesday, September 2 (deliver via email to steve.boilard@csus.edu)

After you have read the assigned materials for the first week, please write a 3-4 page memo detailing the primary budget challenges facing California. In doing this, think carefully about the extent to which the state's budget challenges arise from particular policies, environmental factors, political factors, structural constraints, etc.

For some of you, this will involve a steep learning curve and be somewhat painful. Others may have considerable background with budgeting and will find this to be an easy exercise. To help me understand the range of experience and background, **please include at the end of your memo a paragraph that explains how comfortable you feel about this course and what you think you learned during this first exercise.**

Proposition 13 opinion essay (due via email by 6 pm September 17)

Several weeks before this assignment is due, I will give you a real or imagined piece of legislation to modify the state's property tax law known as Proposition 13. Please write an opinion essay suitable for

publication in a major state newspaper, taking a position on the legislation. The opinion essay should be between 500 and 750 words.

Next 10 Report (due in class October 8)

Please take the “California Budget Challenge” on the Next 10 [website](#). Print out your results, and write a 3-4 page memo describing (1) anything that surprised you about the exercise, and (2) specific ways in which you think the budget challenge could be improved to better reflect the real-world issues and tradeoffs of the state budget. Note that we will have a Next 10 representative in class on October 8 who will lead us as a group through an expanded exercise.

Midterm Examination (in-class, October 22)

The midterm will test all prior material, including readings and class discussions. It will include a combination of short answer questions (where you define terms and explain concepts) and an essay or two that require you to analyze budget materials.

Final Exam (Due via email by 6 pm on December 17)

The final exam is a take-home writing assignment. You will be given specific instructions on the last day of class. The assignment will ask you write an essay with an appropriate cover page, introductory section that describes what is in the essay, section headings that cover the requested material, and a concluding section. You will need a reference list at the end and citations must be in APA style. Take care note to avoid any form of plagiarism. Tables and figures must be included in the body of the essay. Please choose your figures or tables carefully; they should add value and create meaning, not simply take up space. Do not exceed 10 double-spaced pages. (Your cover page and reference list do not count toward this 10-page limit.) Other than these constraints, the remaining form of the paper is up to you. The audience for the paper should be a bright but not knowledgeable decisionmaker. The final exam must be submitted electronically to me by December 17 at 6 pm.

Participation: 10% of your course grade is determined by the quality of your participation in class. This includes your participation in class discussions, your attendance, and your “mini case” presentation (discussed below).

Minicases: You will note that the Rubin text includes a number of “minicases,” which are short summaries of case studies relevant to the material covered in the book. Each student will be required to select one minicase to research and present. Specifically, each student will: (1) read the minicase, and research additional information, including any updates to the case, and especially how the issue relates specifically to California; (2) prepare a 2-page memo summarizing that research; and (3) doing a presentation of the case and the research findings for the class. More information will be provided on the first day of class.

Required Texts

Boom and Bust: The Politics of the California Budget. Jeff Cummins (Berkeley Public Policy Press, 2015).

The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing (Seventh Edition). Irene S. Rubin (Sage/CQ Press, 2014).

All other readings will be available online, or I will provide them to you in class. In preparation for this class please actively read state budget coverage in *The Sacramento Bee*, *Los Angeles Times*, and other publications. Because PPA 230 is being taught in the Fall, the Governor’s budget proposal (released each year on January 10) will not be a major focus in news stories. However, you should pay attention to issues with the state budget, including implementation of certain programs (such as high speed rail), revenue forecasts, evidence of waste or mismanagement, etc.

A number of class sessions will involve guest speakers, but these will not all be nailed down until we get closer to the actual sessions. Please always come to class on time and prepared.

Date	Readings and Activities (additional readings for later classes will be announced and provided during the term)	Assignments Due
September 2 Overview	Rubin, Chapter 1 Cummins, Chapter 1 LAO, Overview of 2015 May Revision	Budget Memo (to be sent electronically to me by 5 pm on September 3)
September 10 Process	Rubin, Chapter 3 Cummins, Chapter 2 California’s Budget Process , Dept of Finance	
September 17 Revenue and Taxes	Rubin, Chapter 2 Cummins, Chapter 3	Proposition 13 essay due in class.
September 24 Expenditures	Rubin, Chapter 5 Cummins, Chapter 4	
October 1 Ballot box budgeting	Cummins, Chapter 5 Other readings TBA	
October 8 Interest groups and demands on the process	Cummins, Chapter 6 Other readings TBA Group “Next 10” exercise	Next 10 printout (bring to class)
October 15 Running in the Red	Rubin, Chapter 6 Cummins, Chapter 7	

October 22 MIDTERM EXAM		Midterm Exam
October 29 State-Local relationship	Cummins, Chapter 8	
November 5 Local bankruptcy	TBA Guest presentation by Dr. Robert Benedetti	
November 12 Executing and Implementing the budget	Rubin, Chapters 7 and 8	
November 19 Citizen engagement	Readings TBA Presentation by former Assembly Member Fred Keeley	
November 26	THANKSGIVING HOLIDAY	Cranberry sauce and stuffing
December 3 Reforming the budget system	Rubin, Chapter 4 Cummins, Chapter 9	
December 10 Conclusions and Lessons	Rubin, Chapter 9	
	FINAL EXAMINATION (Take-home)	DUE: Thursday, December 17 at 6 pm. Please send electronically to steve.boilard@csus.edu