

Trachtenberg School of Public Policy and Public Administration

Public Administration 6051
Governmental Budgeting CRN 11452
Summer 2014
Professor Steve Redburn

Class Meeting: Monroe Hall, 2115 G Street NW
Room B 32
Tuesdays and Thursdays, 6:10 to 8:20 P.M.

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Office Hours: By appointment

Course Objectives

This course will focus on the intricacies of the federal budget process and federal budget policy. The federal budget is unambiguously important to everyone; it allocates more than 20 percent of the goods and services in the U.S. economy. In particular, it is important to people whose careers will bring them in contact with the federal government; these people should have a great incentive to learn about how federal resources are raised and allocated. The course will thus follow the federal budget process through its various stages, focusing on the political and managerial challenges at each stage. My objective that, at the conclusion of this course, students will understand more about the federal budget than 95 percent of the people who work for the federal government – and perhaps as much as a novice OMB examiner or CBO analyst. In addition, it is my objective that you will further hone your communication skills – both oral and written – to be able to communicate your analysis effectively to policy officials.

Required Readings

Allen Schick, *The Federal Budget*, 3rd Edition (Brookings, 2007) (Available at Bookstore).

In addition, a number of required supplemental readings will be available on Blackboard or distributed by the instructor in class. Additional short topical readings may be provided over the course of the semester as budget developments warrant.

Course Requirements

Five components will determine your final grade for the course. A major policy paper will be required (which will include two drafts plus an executive summary); the paper will be presented orally in class. The specific requirements for the policy paper are included in an attachment to this syllabus. Class participation will not be formally graded, but will be taken into account in marginal circumstances. The course requirements will be weighted as follows:

First Draft of Policy Paper (Due on July 24 th) -	25%
Discussion Brief (Due dates vary) -	25%
Final Draft of Policy Paper (Due on August 14 th) -	30%
Executive Summary of Policy Paper (Due on August 14 th) -	10%
Oral Presentation of Policy Paper (August 14 th) -	10%

The course will be conducted in accordance with school policies, which cover issues such as late assignments, incompletes, necessary academic accommodations, and attendance.

Please note that this syllabus is intended as a guide to the course for the student. Sound educational practice requires flexibility and the instructor may, with appropriate notice, change content and requirements at any time during the semester.

Class Schedule at a Glance

- A. July 8th –Introduction and Course Overview
- B. July 10th – The Budget in Microcosm: Budget Terms and Definitions (A Budget Glossary) and Federal Budget Policies—Where Does Money Come From and Where Does it Go?

Proposal for Policy Paper Due

- C. July 15th -- Evolution of the U.S. Budget Process: Past and Future

Proposal for Discussion Brief Due

- D. July 17th – Budget Preparation—Formulation in the Agencies
- E. July 22rd – Budget Preparation—OMB and the President’s Budget
- F. July 24th – The Congressional Budget Process and Reconciliation

First Draft of Policy Paper Due

- G. July 29th – The Appropriations Process

- H. July 31st – Revenues and Authorizing Legislation
- I. August 5th – Budget Execution: Spending Money and Performance; Credit Reform and Beyond
- J. August 7th —Future of the Federal Budget I: Process and Politics
- K. August 12th -- Future of the Federal Budget II: Policy
- L. August 14th – Policy Analysis Presentations

**Final Draft of Policy Paper Due
Executive Summary Due**

Course Outline and Reading List

The following outline lists the topics and reading assignments by course session. Reading assignments include both the text (Schick), and articles/book chapters that are available in the handout package.

- A. **July 8th** - Course Overview and Introduction to Federal Budgeting

No assigned readings

- B. **July 10th** – The Federal Budget in Microcosm--Budget Terms and Definition (A Budget Glossary) and Budget Policies (Where Does Money Come From and Where Does it Go?)

Proposal for Policy Paper Due

Schick, Chapters 1 and 2

Joyce and Meyers, “Budgeting During the Clinton Presidency,” *Public Budgeting and Finance* 21, Number 1 (Spring 2001), pp. 1-21.

- C. **July 15th** – Evolution of the Federal Budget Process: Past and Future; Fiscal Norms and Institutions

Schick, Chapters 3 and 4

Meyers and Rubin, “The Executive Budget in the Federal Government: The First Century and Beyond,” Public Administration Review 71 (May/June 2011), pp. 334-344. (See Blackboard)

Proposal for Discussion Brief Due

D. July 17th – Budget Preparation—Formulation in the Agencies

Leloup and Moreland, “Agency Strategies and Executive Review: The Hidden Politics of Budgeting,” *Public Administration Review* 38:3, pp. 232-239.

Office of Management and Budget, Circular A-11, Sections 10, 25, 32, 51, 80, 200, and 220 (skim).

http://www.whitehouse.gov/omb/circulars_a11_current_year_a11_toc

Office of Management and Budget, Memorandum 13-xx, “President’s Fiscal Year 2016 Budget Guidance.”

<http://www.whitehouse.gov/sites/default/files/omb/memoranda/2014/m-14-07.pdf>

Guest Speaker: A real live agency budget officer – Christopher Johns, DOE

E. July 22rd - Budget Preparation—OMB and the President’s Budget

Schick, Chapter 5

Berman, “OMB and the Hazards of Presidential Staff Work,” *Public Administration Review* 38 (November/December 1978), pp. 520-523.

Guest Speaker: A real live OMB branch chief (Michelle Enger - confirmed)

F. July 24th - The Congressional Budget Resolution and Reconciliation

Schick, Chapter 6

Dauster, “The Monster that Ate the United States Senate,” *Public Budgeting and Finance* 18, Number 2 (Summer 1998), pp. 87-93.

CBO, An Analysis of the President’s Budget, April 17, 2014,

<http://www.cbo.gov/publication/45230>

Guest Speaker: Marcus Peacock, former Minority Staff Director, Senate Budget Committee

First Draft of Policy Paper Due

G. July 29th - The Appropriations Process

Schick, Chapter 9

LeLoup, "Appropriation Politics in Congress: The House Appropriations Committee and the Executive Agencies," *Public Budgeting and Finance* 4 (Winter 1984), pp. 78-98.

Joyce, P. The Costs of Budget Uncertainty (IBM Center for the Business of Government—November 2012) (on Blackboard)

H. July 31st – Revenues and Authorizing Legislation

Schick, Chapters 7 and 8

D. Marron, "How Large are Tax Expenditures?: A 2012 Update," Tax Notes from the Tax Policy Center (April 9, 2012). (see Blackboard)

I. August 5th - Budget Execution —Spending Money; Performance; Credit Reform and Beyond

Schick, Chapter 10, pp. 241-266.

OMB, "Delivering a High Performance Government," FY 2015 Budget, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/management.pdf> .

Redburn, "How Should the Federal Government Measure Spending? The Uses of Accrual Accounting," *Public Administration Review* 53 (May/June 1993), pp. 228-236 [handed out in prior class period].

Guest Speaker: Dustin Brown, Deputy Associate Director for Performance and Personnel Management, OMB - confirmed

J. August 7th – Future of the Federal Budget I—Policy (Stewardship, Long-term Liabilities and Entitlement Reform)

Office of Management and Budget, "Long Term Budget Outlook," chapter 3, *Analytical Perspectives, Budget of the U.S. Government, FY 2015*, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/econanalyses.pdf> .

Congressional Budget Office, *The Long-Term Budget Outlook* (expected publication about June 30, 2013) -- link to <http://www.cbo.gov/> and search for document with similar title.

Government of Australia (2010) Intergenerational Report (on Blackboard).

Selected Readings: *Choosing the Nation's Fiscal Future*, NRC and NAPA (2010), chapters 1 – 4, 9. <http://www.ourfiscalfuture.org/>

K. August 12th - Future of the Federal Budget II—Process and Politics

Schick, Chapter 11

Peterson-Pew Commission on Budget Reform, “Tied to the Mast: Fiscal Rules and their Uses,”
http://budgetreform.org/sites/default/files/fiscal_rules.pdf.

Rivlin. “Rescuing the Budget Process,” *Public Budgeting & Finance* 32, Number 3 (Fall 2012), pp. 53-56.
<http://onlinelibrary.wiley.com/doi/10.1111/pbaf.2012.32.issue-3/issuetoc>

Nussle, “Perspectives on Budget Process Reform,” *Public Budgeting & Finance* 32, Number 3 (Fall 2012), pp. 57-60.
<http://onlinelibrary.wiley.com/doi/10.1111/pbaf.2012.32.issue-3/issuetoc>

Redburn, “Practical Imagination: Building a New Budget Process” (on Blackboard)

Guest Speaker: Barry Anderson, National Governors Association (and former acting director of CBO)

L. August 14th – Paper Presentations; Assignments Due

Final Draft of Policy Paper Due
Executive Summary Due

Public Administration 6051

Instructions for Policy Paper

Each student will be required to complete a major policy paper (of approximately 20 double-spaced pages). Because many students in this course are preparing for (or continuing) careers as professional administrators or analysts, the model that will be used for this paper is the model that is used in virtually all professional policy analysis organizations. That is, your first draft will not be your final draft. Instead, I plan to give you substantial feedback and an opportunity to revise your paper. Further, as a separate assignment, you will be required to summarize your paper in two double-spaced pages. At each stage of the process--the first draft, the second draft, and the summary--you will receive a grade. The grades will be weighted as described in the syllabus.

Topics for the Paper

You have wide latitude in the selection of a paper topic. The only firm criterion is that the paper must address some aspect of federal budgeting. As we will discover over the course of the semester, this will not limit your choice of topics a great deal, since the federal budget touches virtually every policy area. There are a wide variety of economic, political, accounting, etc. topics that relate to the federal budget. I expect you to turn in a proposed paper topic by the second class meeting, **July 10th**; and I will provide you feedback on your topic by **July 17th**. The proposal should be viewed as a starting point; often students find that as they begin to research a topic, another one occurs to them. That is a natural part of the research process, and you should feel free to propose a change in topic if you think that is appropriate.

If you are having trouble thinking of a possible topic, you might consider the following list of possible areas where papers might be appropriate:

*A review of how the federal budget impacts a particular policy area (e.g., air quality, employment, access to health care, homeownership) in whole or in part.

*An analysis of some particular change in the budget process (biennial budgeting, capital budgeting, line-item veto, performance-based budgeting), including positive and negative effects.

*A discussion of how the federal budget affects state and local governments in some particular policy area or related to some particular program (the Clean Air Act, Medicaid, surface transportation, etc.)

*A comparison of some aspect of the U.S. budget process to the budget process in another country or countries, focusing on similarities or differences

and how these affect budget outcomes, roles of budgetary actors, etc.

These are only examples. I want you to choose a topic that interests you, subject to my approval.

Sources of Data

You can use a number of sources of data in drafting your research paper. The best academic journals to use as sources for articles on the federal budget process are *Public Budgeting and Finance* and *Public Administration Review*, both of which can be found in the library. Other journals that you might consult include the *National Tax Journal*, and the *Journal of Public Budgeting, Accounting and Financial Management*. Some popular periodicals also include topical information on the federal budget, including principally the *Congressional Quarterly Weekly Report*, the *National Journal*, and *Government Executive*.

A number of influential books deal with the federal budget process in whole or in part, including Richard Fenno's *The Power of the Purse*, Allen Schick's *Congress and Money* and *The Capacity to Budget*, Aaron Wildavsky's *The New Politics of the Budget Process*, and Irene Rubin's *Balancing the Federal Budget* and *The Politics of Public Budgeting*. Phil Joyce's *The Congressional Budget Office* is the definitive history of that institution. Relevant books will depend on topics chosen. Please consult me if you need assistance.

Many web sites contain useful information on federal budgeting. These include:

Office of Management and Budget: www.whitehouse.gov/omb/

Congressional Budget Office: www.cbo.gov

General Accounting Office: www.gao.gov

Library of Congress: www.thomas.gov

Senate Appropriations Committee: www.senate.gov/~appropriations

House Appropriations Committee: www.house.gov/appropriations

Senate Budget Committee: www.senate.gov/~budget

House Budget Committee: www.house.gov/budget

International Monetary Fund Fiscal Affairs: <http://blog-pfm.imf.org/pfmblog/>

American Association for Budget and Program Analysis (AABPA): www.aabpa.org*

Committee for a Responsible Federal Budget: <http://www.crfb.org/>

The Concord Coalition: <http://www.concordcoalition.org/>

The Center on Budget and Policy Priorities: <http://www.cbpp.org/>

Facing Up to the Nation's Finances: <http://www.facingup.org/>

Fiscal Future of the U.S.: *Choosing the Nation's Fiscal Future*, NRC and NAPA (2010), chapters 1 – 4, 9. <http://www.ourfiscalfuture.org/>

Peterson-Pew Commission on Budget Reform: <http://www.budgetreform.org>

George Mason University Center for Public Service "Guardians at the Gate": http://publicservicecenters.gmu.edu/federal/guardians_at_the_gate

Please contact me if you have trouble accessing information on your desired topic.

*This is the main membership organization for federal budgeting professionals. The web site includes many other links, including to many agency budget offices.

Instructions for Discussion Brief

Each of you will be required to prepare a discussion brief to help to guide our discussions during one course session. These briefs will be written about one of the topics listed below. The student is expected to investigate the topic with an eye toward offering additional detail concerning an issue related to a subject that will be discussed in a particular week.

The discussion briefs should be approximately 5 to 7 double spaced pages, and the focus should be on describing the event or issue that is being researched, and relating it to that day's broader subject. In addition, students preparing discussion briefs should be prepared to help guide the class discussion on that day by interjecting examples from your research into the discussion.

The topics for discussion briefs, with the days that they are related to, are listed below:

<u>Date</u>	<u>Discussion Brief Topic</u>
July 17	The Obama FY 2015 Budget and the Economy
July 22	The Fiscal Year 2015 Budget Resolutions and Appropriations
July 24	Effects of Gramm-Rudman-Hollings Sequesters
July 24	The Reconciliation Process and Deficit Reduction in the 1990s
July 29	Paying for Surprises – Supplementals, Transfers, and Reprogrammings
July 29	Effects of the Budget Control Act of 2011
July 31	The Tax Reform Act of 1986
July 31	Dynamic Scoring of Revenue Legislation
August 5	A Line-Item Veto for the President (Clinton's Use)
August 5	The Digital Accountability and Transparency Act (DATA Act)
August 7	The Antideficiency Act
August 7	The GPRA Modernization Act of 2010
August 12	Future of Social Security (2014 Trustees Report)
August 12	Future of Medicare (2014 Trustees Report)
August 14	A Balanced Budget Constitutional Amendment

I will ask each of you to identify your top three choices, in order or preference before July 10th, and I will respond by email by July 15th indicating what your assignment will be.