

Trachtenberg School of Public Policy and Public Administration

Syllabus: Public Budgeting, Revenue, and Expenditure Analysis

PPPA 6005, CRN: 37285, Spring 2018

Time: **Online course** – no fixed meeting day or time; however, there will be a handful of “synchronous” online sessions during the semester – the dates and times “to be determined.”

Instructor: Pete Fontaine (petefontaine@gwu.edu)

Cell Phone: 703-946-9937 (text me anytime)

Office Hours: I am available to meet during most weeks on GWU’s Foggy Bottom campus. In addition, I will hold “online office hours” to answer questions by email or phone during specified weekdays. Days and times will be announced each week during the semester.

1. Course Description

This course provides an introduction to governmental budgeting and finance. Funding for public programs is inseparable from the operation of those programs; in addition, the sources of revenue for public programs often play an instrumental role in design of such government spending. As a result, public managers and their advisors (both inside and outside of government) find themselves in need of the knowledge and skills associated with the key principles of public finance and budgeting. A familiarity with and understanding of such principles is vital to professional success in the arena of public administration and public policy.

This course will survey the broad areas of: (1) public budgeting, (2) governmental expenditure and management, and (3) revenue analysis in the public sector.

The course will start with an overview of the budgeting context: allocation of scarce resources in the public sector. We will discuss fundamental concepts such as the development and use of a budget baseline and the need for unbiased cost estimates of the effects of policy options. In the context of the U.S. federal government, we’ll learn about the baseline as a neutral benchmark or starting point for the consideration of policy alternatives. We will also cover the 4 key phases of budgeting: from executive preparation of budget proposals to legislative consideration of those proposals to the eventual execution of budgets and auditing of budget results.

During the semester, we will review why governments tax and spend in the ways that they do, including examining taxing and spending approaches in both a theoretical framework and the real world—with a focus on the federal government of the United States.

Coursework will include several practical exercises of how to find, evaluate, and use data and other information in the development of budgetary analysis. Those assignments will include opportunities to hone your skills in budget-related research, critical thinking, analyzing data to determine logical and defensible estimates, presenting budget-related information, and drafting short memoranda on budget and finance issues.

2. Required Text

Lee, Robert D., Ronald Johnson, and Philip Joyce, *Public Budgeting Systems*, Jones and Bartlett Publishers (9th Edition). Several additional readings are listed in this syllabus (with hypertext links); others may be added during the semester.

3. Student Learning Objectives

1. Synthesize how governments use budgeting to promote policy goals through the 4 phases of annual budget cycle. This includes identifying the primary concepts for public budgeting, and the objectives and processes most commonly used.
2. Describe basic facts about size and role of government in society, and assimilating the basics of budgetary accounting for government.
3. Operate and develop competence with spreadsheet software for budget analysis, including applying the basic tools of tax analysis.
4. Find, analyze, and apply budget-related information through research and interpretation
5. Appreciate the seriousness of the fiscal challenge facing the United States by gaining an understanding of the underlying factors that are driving that challenge.

4. Minimum Time Requirement

This is a 3-credit graduate course. Over 14 weeks, students should spend (on average) between 7 and 8 hours per week for the combination of completing required reading and written assignments, watching the assigned videos for each course module, taking online quizzes and completing other learning activities such as responding to discussion questions posted on Blackboard, and reviewing other associated materials (such as supplemental slides) posted on Blackboard. In addition, students may spend between 8 and 12 hours during the semester to complete the mid-term exam and the final exam.

In total, students should expect to complete between 110 and 120 hours of work over the course of the semester; but that is a rough ballpark estimate, and *your* individual results may vary from that range!

5. Grading -- Your final grade will be the weighted sum of grades on:

Assignments (excluding presentation and daycare project)

(6 regular assignments, 5 points each: for research,
Excel spreadsheets, short memoranda, or a combination): 30 %

Complete online “*Learning Activities*” (Online quizzes and
Discussion Forum Questions – *Not graded*, but completing
all these activities is worth a total of 5 points, or 5%) 5 %

Mid-term Exam (due Noon, Saturday, March 3) 15 %

“*Virtual*” presentation assignment as a Group Project 10 %

Daycare Center Budget Projections Project
(With memo and several tables): 10 %

Final exam (due Noon, Friday, May 4)
(Comprehensive, take-home, roughly 1.5 weeks to complete) 30 %

6. Class and University Policies and Resources

Class Policies: Although this is an online, distance-learning course with some flexibility about exactly when you complete the required reading, video-watching, and online quizzes, this syllabus lays out a specific schedule for EACH WEEK during the semester, and you should keep up with the work on that schedule.

In particular: **Assignments are due by the specified time on the posted dates.** Late work will be accepted up to *ONE WEEK* after the due date, but grading will be penalized for submission after the original due date. No credit for work submitted more than one week late UNLESS you have extraordinary circumstances such as a serious illness and you have received approval from the instructor PRIOR TO the original due date for a late submission.

Academic Integrity Code: Academic dishonesty is defined as cheating of any kind, including misrepresenting one’s own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information. For the remainder of the Academic Integrity Code, see: <http://studentconduct.gwu.edu/code-academic-integrity>

Students are welcome to consult with each other on homework assignments, but all work on the take-home Mid-term Exam and the Final Exam should be your own, *solo effort*.

Changes to the Syllabus: This syllabus is intended to be a guide to the course, but sound educational practice requires flexibility, and so, contents may change during the semester.

Changing Grades after Completion of Course: No changes can be made in grades after the conclusion of the semester, other than in cases of clerical error.

Incompletes: A student must consult with the instructor to obtain a grade of “I” (incomplete) no later than the last day of classes. At that time, the student and instructor will both sign the CCAS contract for incompletes and submit a copy to the School Director. Please consult the TSPPA Student Handbook for the complete CCAS policy on incompletes.

Accommodation for Students with Disabilities: Any student who may need an accommodation based on the potential impact of a disability should contact the Office of Disability Support Services at 202-994-8250 in the Rome Hall, Suite 102, to establish eligibility and to coordinate reasonable accommodations. For additional information, please refer to <http://www.gwired.gwu.edu/dss>.

GW Counseling Resources: Should you need any support outside of class please consult:

University Counseling Center

Division of Student Affairs Marvin Center, Ground Floor
800 21st Street, NW

Washington, DC 20052

Phone: [202-994-5300](tel:202-994-5300) | Fax: [202-994-5267](tel:202-994-5267)

email: counsel@gwu.edu

<http://counselingcenter.gwu.edu/access-counseling-services>

7. Week-by-Week Course Schedule: To start, watch the short “Welcome” video; then proceed to course module #1.

Week 1 (Jan. 16-21) — Introduction to Public Budgeting

Budgeting in the context of the economic problem of scarcity. The role of markets vs. a brief overview of the role of government in resource allocation and assessment of revenues, including the concepts of public goods and externalities. After that introduction to the context of public budgeting, you will review materials that present an overview of the course materials for the full semester. Finally, we’ll take a quick look at the size of government in comparison to the size of the economy for both the United States and other countries, while covering the broad outlines of what “we want government to do.”

Course Module #1: Why do we budget?

- Read Chapter 1 of *Public Budgeting Systems* by Lee, Johnson, and Joyce
- Watch video modules 1a, 1b, and 1c
- Review *Slides for Module 1* posted to Blackboard
- Review the web links on Blackboard regarding public goods and externalities

Discussion Question #1: Write a paragraph to respond to the discussion question on Blackboard regarding public goods and scarcity.

Course Module #2: Course Overview

- Read the course overview file (in Word) posted on Blackboard
- Review the Syllabus
- Review *Slides for Module 2* posted to Blackboard

Course Module #3: Role and Size of Government

- Read Lee/Johnson/Joyce, Chapter 2 — The Public Sector in Perspective
- Watch video modules 3a and 3b
- Review *Slides for Module 3* posted to Blackboard
- Watch just the first 15 minutes and 30 seconds of an hour-long lecture by economist Milton Friedman (in the late 1960s) on the “*Role of Government in a Free Society*” at: <https://www.youtube.com/watch?v=LucOUSpTB3Y>
- Play the “Fiscal Ship Game” to stabilize the U.S. federal debt over 25 years: <https://fiscalship.org/> <= upload a summary of your results per Blackboard instructions **by Monday, Jan. 22, 7pm.**

Week 2 (Jan. 22-28) — Budgeting Goals and Budget Cycles

What is the appropriate role for government in the economy? How do budgets help shape that role? And what is the typical or idealized “budget cycle”? This week encompasses two course modules (#4 and #5) as well as the first assignment for the semester. We’ll try to enunciate the key goals of public budgeting and discuss policy tools that governments have to work towards such goals. Then, we’ll introduce the annual budget cycle: the 4 specific phases of budget preparation, approval, execution, and auditing/evaluation.

Course Module #4: Budgeting Goals

- Read chapter 3 of Lee/Johnson/Joyce (but **just up to page 91**)
- Watch video module 4
- Review the slides for module 4

Course Module #5: Budget Cycles

- Read chapter 4 of Lee/Johnson/Joyce
- Watch video module 5
- Review the slides for module 5

Quiz #1: After watching videos 4 and 5, take the online quiz on budgeting goals and cycles.

Assignment #1: Finding the Numbers – Conduct web-based research to locate and interpret a variety of budget-and-economy-related numbers. Links will be provided for your research of information on websites for the Bureau of Economic Analysis, the U.S. Department of the Treasury, the Office of Management and Budget, the Congressional Budget Office, and the Library of Congress’s legislative system known as Congress.gov.

Upload your results (in a Word file) to Blackboard **by 7pm, Monday, January 29.**
(For your results, please include your last name as part of the Word filename.)

Week 3 (Jan. 29-Feb. 4) — Budget Concepts and Process

Presentation of basic terminology used in budgeting (with emphasis on the U.S. federal budget). Key budget laws and recent history, and an introduction to the concept of creating current-law baseline projections and then “scoring” the effects of legislation relative to such a baseline.

Course Module 6: Budget Concepts

- Read and study module 6a slides on budgeting terminology (on Blackboard)
- Watch video module 6b
- Read Bill Heniff Jr., Congressional Research Service, *Basic Federal Budgeting Terminology*: <https://www.fas.org/sgp/crs/misc/98-410.pdf>
- Read sections of the *Report of the President’s Commission on Budget Concepts*; (only pp. 1-6, 11-13, & 24-25; use “*page flip view*”): <http://cdm16021.contentdm.oclc.org/cdm/ref/collection/p16021coll5/id/30>
- Watch Read OMB chapter on “*Budget Concepts*” in [Analytical Perspectives](#)

Course Module 7: Baselines & Scoring

- Watch video module 7a
- Read U.S. Code excerpt about baselines: Enter Title 2 & Section 907 in search boxes at <http://uscode.house.gov/>
- Watch video module 7b
- Review the slides for module 7

Discussion Question #2: After watching video 7a and reading Title 2 Section 907, respond to the discussion question on baselines on Blackboard.

Assignment #2: Create an Excel spreadsheet for a baseline projection of a mandatory spending program, with a few policy options.

There will be a synchronous online session to go over the assignment, including demonstration of how to set up the Excel table, (date/time TBD - week of Jan. 29).

Assignment is due by 7pm, Monday, Feb. 5 (include your name in the Excel filename).

Week 4 (Feb. 5-11) — Budget Preparation

The first phase of the annual budget cycle: budget formulation through the agencies and the executive. Includes consideration of the 3 functions of budgeting: Control, Management, and Planning. We'll also cover budget preparation timelines to related content of a budget proposal to key executive actors. Then, continuing with the concept of baseline projections introduced last week, assignment #3 will involve preparing a baseline and some policy options for a discretionary (appropriated) spending program.

Course Module 8: Budget Formulation

- Read Chapter 7 of Lee/Johnson/Joyce: Budget Preparation: The Expenditure Side
- Skim table of contents and read pp. 1-5 of section 51 of [OMB Circular A-11](#)
- Watch videos 8a and 8b
- Review the slides for module 8

Quiz #2: Take the online quiz on budget preparation basics BETWEEN watching 8a and 8b.

Course Module 9: Federal Budget Timelines – Preparation and Submission

- Read Chapter 8 of Lee/Johnson/Joyce: Budget Preparation: The Decision Process
- Watch video 9
- Review the slides for module 9

Assignment #3: Create an Excel spreadsheet for baseline projection of a discretionary spending program, with analysis of alternative funding proposals, including a short memo.

There will be a synchronous online session to go over the assignment, including demonstration of how to set up the Excel table, (date/time TBD - week of Feb. 5).

Assignment is due by 7pm, February 12 (complete Word & Excel files).

Week 5 (Feb. 12-18) — Budget Approval & the Budget Outlook

The Constitutional role of the legislature in approving all budgetary measures versus the executive's role in preparing budget proposals. We'll also explore the baseline concept in more depth by considering development of the baseline as a "bottom-up" exercise under the Congressional Budget Act of 1974, and then look at the history of federal spending, revenues, deficits, and debt in the United States as a prelude to discussing the current outlook for those key budget aggregates under current policies. (That "current budget outlook" will be discussed in a synchronous online session.)

Course Module 10: Budget Approval

- Read Chapter 9 of Lee/Johnson/Joyce — Budget Approval: Role of the Legislature (**only pp. 273-293**)
- Read Chapter 10 of Lee/Johnson/Joyce, Chapter 10 — Budget Approval: The U.S. Congress (**only pp. 303-318**)
- Watch videos 10a, 10b, and 10c
- Review the slides for module 10

Course Module 11: The Budget Outlook

- Congressional Budget Office, *An Update to the Budget and Economic Outlook: 2017 to 2027*, June 29, 2017: **Summary and Budget Outlook sections**
<https://www.cbo.gov/publication/52801>
- Watch video 11 (an overview of the budget outlook)
- Review the slides for module 11
- Skim the chapter on "*Current Services Estimates*," in OMB [Analytical Perspectives](#), to get a sense of how the budget is organized and what those projections look like.

Discussion Question #3: After watching video 11, doing the above reading, and participating in synchronous session 11b, respond to the discussion question on legislative versus executive "outlook" estimates on Blackboard.

Week 6 (Feb. 19-25) — Budget Execution

We'll explore the third phase of the budget cycle, starting with some basics of budget execution including considering legislative intent versus executive flexibility for implementation. We'll then move on to consider the key elements of funds control within budget execution. Finally, we'll look at a particular kind of execution feature in the federal budget: the treatment of loans and loan guarantees on an accrual (or present value) accounting basis (in contrast to the cash basis that is used for most of the budget); and assignment #4 will provide an exercise in applying that accrual accounting treatment.

Course Module 12: Budget Execution Basics

- Read Chapter 11 of Lee/Johnson/Joyce — Budget Execution (**only pp. 341-358**)
- Read Chapter 12 of Lee/Johnson/Joyce — Financial Management (**only p.397-425**)
- Read Chapter 13 of Lee/Johnson/Joyce — Capital Assets (**only pp. 451-468**)
- Watch videos 12a & 12b
- Review the slides for module 12

Course Module 13: Loans and Other Long-Lived Assets

- Watch video 13
- Review the slides for module 13
- Read [U.S. Code, Title 2, Chapter 17A, Subchapter III – Credit Reform](#)
^(sections 661 to 661c <= from the above link you can **view** each section on screen)
- Read Center on Federal Financial Institutions (COFFI) primer on credit reform:
<http://www.coffi.org/pubs/Primer%20on%20Credit%20Reform%20by%20Stanton.pdf>
(*this primer is 19 pages, double-spaced; but you only need to read through page 11*)

Discussion Question #4: After watching video 13 and doing the two readings, respond to the discussion question on federal loans on Blackboard.

Assignment #4: In Excel, calculate loan subsidies (positive or negative) as net present values using the Excel spreadsheet example provided on Blackboard.

There will be a synchronous online session to go over the assignment, including demonstration of how to use the NPV function, (TBD – probably Monday, Feb. 26).

Assignment is due by 7pm, Thursday, March 1 (include your name in the Excel filename).

Week 7 (Feb. 26-Mar. 4) — Mid-term Exam

The exam will be posted on Blackboard on Monday, Feb. 26. Completed exams (in the form of a single Word file and a single Excel file) will be due **by noon on Saturday, March 3.**

Week 8 (Mar. 5-11) — Federalism and State Budgets

In this first week after the mid-term (and last week before the Spring Break), we will shift gears a bit to focus for a few weeks primarily on state (and local) budgeting. We'll start that process with an overview of our split-form of government, known as "federalism;" and then move on to noting some key contrasts between budgeting for states versus what we've already learned about budgeting at the federal level. We'll then dig a bit deeper in focusing on key aspects of budgeting at the state level, where the primary types of spending are for assistance to the poor through the Medicaid program and public education, and the primary forms of revenues are collections from general sales tax and the receipt of transfers (grants) from the federal government.

Course Module 14: Intro to Federalism

- Read Chapter 15 of Lee/Johnson/Joyce — Intergovernmental Relations
- Watch video 14
- Review the slides for module 14
- Watch **Parts 1 and 4 of the State Budget Basic Videos** by the National Association of State Budget Officers (NASBO): <http://www.nasbo.org/resources/budget-basics-videos>

Course Module 15: Budgeting at the State Level

- Watch video 15
- Review the slides for module 15
- Watch **Part 2 of the NASBO State Budget Basic Videos**: <http://www.nasbo.org/resources/budget-basics-videos>
- Read the Summary of NASBO's [State Expenditure Report](#)

Discussion Question #5: After watching videos 14 & 15 and reviewing the other assigned materials above, answer the discussion question about the key distinctions between federal and state budgeting (using the discussion forum on Blackboard).

Assignment #5: Complete a virtual presentation in Powerpoint on the budget situation for one state, as a group project. *(The makeup of several groups will be determined earlier in the semester so that you have plenty of time to exchange information, choose a state to research, and coordinate your preparation of a presentation, as specified on Blackboard.)*

Presentations will be due (after the Spring Break) by 7pm, Thursday, March 22.

Spring Break: Week of March 12-18

Week 9 (Mar. 19-25) — Public-Private Partnerships

Public-Private Partnerships (sometimes called P3s) are most commonly created and used at the local government level, though there are some examples of such P3 projects at the federal and state levels of government. We'll consider a broad overview of such arrangements and then focus on one specific example: a P3 for operation of a local government daycare center. You'll spend some of the week preparing a baseline projection for that proposed daycare center and in the following week complete some analysis of alternative scenarios for the center.

Note also that the state budget presentations (group project) are due this week (on Thursday, March 22).

Course Module 16: Public-Private Partnerships

- Watch video 16
- Read Chapter 14 of Lee/Johnson/Joyce: Capital Finance (only pp. 489-491 & 526-535)
- Read the introductory material about [P3s on Wikipedia](#): Just sections 1 & 2, and skim section 3 on P3s “*In specific countries*”
- Review the slides for module 16

Assignment #6: Prepare a baseline first-year budget for a local Daycare facility, to be operated as a public-private partnership. Project completion will be in TWO parts:

- (1) The “baseline” projection in Excel is due **by noon, Saturday, March 24**;
- (2) Analysis of alternate scenarios and a memo is due **by 7pm, Thursday, March 29**.

(A spreadsheet template and all assignment details will be posted on Blackboard.)

Week 10 (Mar. 26-Apr. 1) — Intro to Revenues and Income Taxes

In weeks 10, 11, and 12, we'll take a close look at a broad variety of taxation issues including the key criteria and principles for revenue collection at all levels of government. We'll explore several specific kinds of taxes ranging from individual income taxes to sales taxes to property taxes (and more). In this introduction to governmental revenues, we'll consider a few of the main principles for taxation, including concern over the adequacy of such assessments to fund public purposes and the issues of how equitable various types of taxes are in practice. We will then move on to a broad overview of U.S. federal revenues before diving into the area of individual income taxes.

Course Module 17: Introduction to Revenues

- Read chapter 5 of Lee/Johnson/Joyce — Budgeting for Revenues (**only pp. 133-151**)
- Watch video 17

Discussion Question #6: After watching video 17, answer the discussion question about issues of equity and fairness in tax policy (using the discussion forum on Blackboard).

Course Module 18a: Overview of Federal Revenues

- Read CBO, *Budget and Economic Outlook*, January 2018: Chapter 1 section on Revenues (**pages xx to yy**) <https://www.cbo.gov/publication/xxxxx>
- Watch video 18a and review slides for module 18a
- Review Tax Foundation, *Putting a Face on America's Tax Returns: A Chart Book*, 2013: <https://files.taxfoundation.org/legacy/docs/PuttingAFace2013.pdf> <= (**Just review pages 1-25**)
- Read CBO, *The Distribution of Household Income and Federal Taxes, 2013*: <https://www.cbo.gov/publication/51361> (**Read only pages 1-13**)

Quiz #3: Take the online quiz on tax burden and equity BETWEEN videos 18a and 18b.

Course Module 18b: Federal Individual Income Taxes

- Watch video 18b
- Review slides for module 18b

Assignment #7: In Excel, complete federal income tax calculations and determine the average and effective tax rates (in a manner similar to the posted example) **by 7pm, Monday, April 9.**

There will be a synchronous online session to go over the example of income tax computation (TBD – probably Monday, April 2).

Week 11 (April 2-8) — Taxes: A Deeper Dive (Tax expenditures, tax burden)

The amount of income collected by the U.S. Treasury for income and payroll taxes is greatly affected by provisions in law that provide a variety of exemptions, deductions, preferential tax rates, and deferrals of tax payments. Those provisions are known as “tax expenditures,” analogous to spending through the tax code. We’ll go over some of the major tax expenditures in the U.S. tax system.

Then, we’ll turn to a comparison of the overall U.S. tax burden (combining federal, state, and local taxes) to the tax burden faced by people in other countries. And finally, we’ll consider the concept of macroeconomic feedback from tax legislation (so-called “dynamic estimating”) to address the question of whether tax cuts can “pay for themselves.”

Course Module 19: Tax Expenditures

- Read CBO, *Budget and Economic Outlook*, March 2018: section on tax expenditures (pages ss to yy, plus Figure x-y on page zz) <https://www.cbo.gov/publication/xxxxx>
- Skim the Joint Committee on Taxation (JCT) annual report on tax expenditures: [link to be provided later](#)
- Watch video 19
- Review slides for module 19

Quiz #4: Take the online quiz on income taxes and tax expenditures after watching video 19.

Course Module 20: Tax Burden and Macroeconomic Effects

- Watch PBS Newshour video on “[Dreading doing your taxes?](#)”
- Read Tax Policy Center, Briefing Book: [Dynamic Scoring and Dynamic Analysis](#) (also: skim the “Further Reading” links at the end of that TPC article)
- Watch videos 20a and 20b
- Review slides for module 20

Discussion Question #7: After watching video 20a, answer the discussion question about the U.S. tax burden versus that observed for other OECD countries (using the Blackboard forum).

Week 12 (April 9-15) — Sales and Property Taxes; Corporate and Payroll Taxes

State and local governments depend heavily on sales and property taxes to supplement the revenue they get in the form of grants from the federal government. In addition, most states also get revenue from an individual income tax. This week starts with a focus on sales and property taxes, both of which tend to be at least somewhat regressive in nature (meaning that people with lower incomes experience higher effective rates of taxation than people with higher incomes).

After reviewing sales and property taxes, we'll cover excise taxes and revenues from gambling activities — two other key sources of income for states. Finally, we'll return to the world of federal revenues to consider the role of corporate income tax and payroll (wage-based) taxes.

Course Module 21: Sales and Property Taxes

- Read Chapter 5 of Lee/Johnson/Joyce section on property tax (**only pp. 152-161**)
- Read Chapter 6 of Lee/Johnson/Joyce section on sales tax (**only pp. 165-171**)
- Watch Part 3 (Revenues) of NASBO State Budget Basic Videos:
<http://www.nasbo.org/resources/budget-basics-videos>
- Review Tax Policy Center, [Briefing Book on State and Local Tax Policy](#)
(**Read the 2 one-page entries on “What are the sources of revenues for states?” and on “What are the sources of revenues for local governments?”**)
- Review the Lincoln Institute of Land Policy [Data on Property Taxes](#)
(**Review the first summary table: Local Property Tax Revenue by State – 2015; note the variation of per capita tax amounts across states**)
- Watch video 21
- Review slides for module 21

Course Module 22: Excise Taxes and Gambling; Corporate and Payroll Taxes

- Read Chapter 6 of Lee/Johnson/Joyce sections on excise taxes, user charges, and gambling (**only pp. 171-181**)
- Read Donald Marron, [“Should Governments Tax Products That Are Fun But Harmful?”](#)
- Read Donald Marron, [“Britain Builds a Better Soda Tax”](#)
- Watch videos 22a and 22b
- Review slides for module 22

Quiz #5: Take the online quiz on sales, property, and other taxes after watching videos 21 & 22 and reviewing the slides for those two modules.

Assignment #8: Fill in the Excel spreadsheet on Property and Sales Taxes and equity (provided in a template as an Excel file posted on Blackboard) **by 7pm, Monday, April 16.**

Week 13 (April 16-22) — Budgeting for Results

Thus far, we've covered the first three phases of the annual budget cycle: preparation, approval, and execution; and we've taken a close look at some key topics in expenditure and revenue analysis, but we haven't spent much time on the critically important fourth phase of the budget cycle: auditing and evaluation. This week's course module 23 will explore the role of government auditing and program evaluation and then move on to the broad-based concept of "budgeting for results" by considering overarching goals or fiscal rules for budgeting — such as stating a goal of achieving a balanced budget or stabilizing debt relative to GDP.

Course Module 23: Budgeting for Results

- Read Chapter 12 of Lee/Johnson/Joyce section on Governmental Auditing (pp. 437-443)
- Watch video 23a (auditing/evaluation)
- Review Government Accountability Office (GAO) report on [Additional Opportunities to Reduce Fragmentation, Overlap, & Duplication and Achieve Other Financial Benefits](#) ^{^(only pages 1-10)}
- Watch video 23b (fiscal rules/goals)
- Read the OECD report, [Achieving Prudent Debt Targets Using Fiscal Rules](#)
- Review the IMF paper, [Fiscal Rules at a Glance](#) (read the Introduction on page 8 and then read a small sample of country fiscal rules: Netherlands on p. 55, Spain on p. 70, the United Kingdom on p. 75, and the United States on p. 76)

Discussion Question #8: After watching video 23b and the two associated readings on "fiscal rules," answer the discussion question about fiscal rules (using the Blackboard forum).

Week 14 (April 23-29) — The Long-Term Fiscal Challenge & Course Wrap-Up

A review of key principles and topics; issues in making aggregate budget choices for the near term and the long term, with a shift in focus from near-term issues to long-term sustainability of the budget. Finally: A quick review of the key course material covered ... and the Final Exam.

Course Module 24: The Long-Term Fiscal Challenge in the United States

- Read CBO's [2017 Long-Term Budget Outlook](#) (only the Summary & pp. 1-17)
- Review Peterson Foundation, [Selected Charts on the Long-Term Fiscal Challenges of the United States](#) (focus on charts 1-25)
- Watch video 24

Short group project: A return to the Fiscal Ship Game

Course Module 25: Semester Wrap-up

- Watch video 25

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After completing course modules 24 and 25, **complete the Final Exam**, posted on Blackboard, with submissions due **by Noon on Friday, May 4.**
