Course Objectives

Funding for public programs is inseparable from the operation of those programs. All public managers therefore find themselves needing knowledge and skills in the principles of public finance and budgeting (as do those working in government consulting, non-profit policy advocacy, and other private-sector positions with a public policy focus). Whether you are an official who is immersed in public budgeting on a day-to-day basis, or you must make policy based on the relationship between dollars and program goals and objectives, an understanding of these concepts is vital to both your personal success and the success of your organization.

This course will survey two broad areas of finance and budgeting in the public sector: (1) budgeting and public expenditure, and (2) revenue analysis and management. At the conclusion of the course, students should have a generalist's familiarity with each of these two key areas of governmental finance. In addition, students should become familiar with a variety of basic analytical techniques appropriate for the analysis of revenue, spending and debt issuance.

It is also an important objective of this class that students continue to develop their ability to read quickly, analyze issues carefully and critically, and communicate effectively, particularly by developing their skills in professional writing.

Required Text (available at Bookstore)


Other assigned readings are posted on Blackboard.
**Course Requirements**

The factors that determine a student’s final grade are listed below. Specific instructions for the assignments will be passed out at a later time in advance of the assignment due date.

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Day Care Budget Preparation Exercise</td>
<td>25%</td>
</tr>
<tr>
<td>Mid-Term Examination</td>
<td>25%</td>
</tr>
<tr>
<td>Final Examination (budget simulation)</td>
<td>35%</td>
</tr>
<tr>
<td>Class Participation and Presentation</td>
<td>15%</td>
</tr>
</tbody>
</table>

All assignments and the final examination will be take-home, and must be done by students working alone. The due dates are listed in the course schedule shown below. Unless an exception is made by the instructor, late work will be penalized with a one grade step reduction (e.g. from an A- to a B+) per day. Incompletes will be dealt with consistent with school policies.

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**

1. January 13th – Introduction and the Public Sector in Perspective
2. January 20th – Government, the Economy, and Economic Development
3. January 27th – Budget Cycles and Budget Preparation
   
   *Guest Speaker:* John Hill, Chief Financial Officer, City of Detroit
   
   **Day-Care Budget Exercise Available on Thursday, January 28th**

4. February 3rd – Cost Analysis
   
   **Day-Care Budget Exercise Due on Tuesday, February 9th, at midnight**

5. February 10th – Budget Approval
   
   *Guest Speaker:* Pete Fontaine, former Assistant Director for Budget Analysis, Congressional Budget Office

6. February 17th – Federal Budget Process
7. February 24th – Budget Reforms
   
   **Take-Home Mid-Term Exam Available on Thursday, February 25th**
Class Schedule at a Glance (continued)

8. March 2\textsuperscript{nd} – Budget Execution and Fiscal Discipline

   **Take-Home Mid-Term Exam Due on Wednesday, March 2\textsuperscript{nd}, at 5 pm**

9. March 9\textsuperscript{th} – Capital Budgeting, Debt and Cash Management

   **NO CLASS MARCH 16\textsuperscript{th} – SPRING BREAK**

10. March 23\textsuperscript{rd} – Financial Management

11. March 30\textsuperscript{th} – Introduction to Tax and Revenue

   \textit{Guest Speaker:} Norton Francis, Senior Research Associate, Urban/Brookings Tax Policy Center

12. April 6\textsuperscript{th} – Income and Payroll Taxes

13. April 13\textsuperscript{th} – Property and Sales Taxes

   **California Budget Challenge Available on Thursday, April 14\textsuperscript{th}**

14. April 20\textsuperscript{th} – Fiscal Federalism and Course Wrap-Up

   **Take-Home Final Exam (based on California Budget Challenge)-Due on Friday, April 29\textsuperscript{th} by 5 pm**
Course Outline and Reading List

The outline lists topics and reading assignments by course session. Reading assignments include the text (Lee, Johnson and Joyce), and readings posted on Blackboard.

Week 1. Introduction and the Public Sector in Perspective (January 13th)

Lee, Johnson, and Joyce, Chapters 1 and 2


Week 2. Government, the Economy, and Economic Development (January 20th)

Lee, Johnson, and Joyce, Chapter 3, pp. 47-75, 80-110


Chris Edwards and Tad DeHaven, “Corporate Welfare Spending vs. the Entrepreneurial Economy,” testimony before the U.S. House of Representatives Committee on the Budget, June 1, 2012.


Week 3. Budget Cycles and Budget Preparation (January 27th)

Lee, Johnson, and Joyce, Chapter 4 (entire) and Chapter 8, pp. 233-238, 243-259, and 264-268

David Primo, “The Uses and Misuses of Budget Data.” The Mercatus Center at George Mason University, 2014.


**Week 4.  Cost Analysis** (February 3rd)


Congressional Budget Office, *The Budget Outlook: 2016 to 2026*. January 2016. Read Summary and Chapter 1 on the budget outlook. *(Note: this is a “read-ahead” for Week 5. Please take advantage of the light reading load for this week to gain ground for the next week).*

**Week 5.  Budget Approval** (February 10th)

Lee, Johnson, and Joyce, Chapter 9


**Week 6.  Federal Budget Process** (February 17th)

Lee, Johnson, and Joyce, Chapter 10


Peter G. Peterson Foundation, “Spending.” (undated)
Week 7.  **Budget Reforms** (February 24th)

Lee, Johnson, and Joyce, Chapter 7


Week 8. **Budget Execution and Fiscal Discipline** (March 2nd)

Lee, Johnson, and Joyce, Chapter 11, pp. 341-354


Week 9. **Capital Budgeting, Debt, and Cash Management** (March 9th)

Lee, Johnson, and Joyce, Chapters 13 and 14


Week 10. **Financial Management** (March 23rd)

Lee, Johnson, and Joyce, Chapter 12 (entire) and Chapter 8, pp. 259-264


**Week 11. Introduction to Tax and Revenue (March 30th)**

Lee, Johnson, and Joyce, Chapter 5, pp. 133-139, Chapter 8, pp. 238-243, and Chapter 11, pp. 354-359


**Week 12. Income and Payroll Taxes (April 6th)**

Lee, Johnson, and Joyce, Chapter 5, pp. 139-152


**Week 13. Property and Sales Taxes (April 13th)**

Lee, Johnson, and Joyce, Chapter 5, pp. 152-161, and Chapter 6 (entire)

Kevin DeGood and Michael Madowitz, “Switching from a Gas Tax to a Mileage-Based User Fee.” Center for American Progress, July 2014.


**Week 14. Fiscal Federalism and Course Wrap-Up (April 20th)**

Lee, Johnson, and Joyce, Chapter 15


Policies Governing Trachtenberg School Courses

1. **Blackboard:** Blackboard will be used to communicate with students. Please make sure that you can access the course on Blackboard and that you regularly check whatever email account Blackboard uses for you. If you have problems with Blackboard, contact the Helpdesk at 202-994-5530 or helpdesk.gwu.edu.

2. **Attendance:** Please try not to miss class! The concepts of budgeting build on one another and are closely related. If you do miss a class, please make sure you get notes from a classmate and download assigned materials from Blackboard.

3. **Turning in Assignments:** Assignments can be submitted electronically through Blackboard.

4. **Late Work:** Unless an exception is made by the instructor, late work will be penalized with a one grade step reduction (e.g. from an A- to a B+) per day.

5. **Laptops:** You are welcome to use a laptop to take notes. Please refrain from checking email and surfing the web during class. It is extraordinarily distracting to people sitting behind you, and to the instructor!

6. **Collaboration:** All assignments must be completed by students working on their own.

7. **Academic Honesty:** All exams, papers, and other graded work products and assignments must be completed in conformity with the George Washington University Code of Academic Integrity (see [http://studentconduct.gwu.edu/code-academic-integrity](http://studentconduct.gwu.edu/code-academic-integrity)). Please note the prohibition on consulting former students or relying on prior answer keys when completing problem sets or take-home exams.

8. **Incompletes:** A student must consult with the instructor to obtain an “incomplete” before the last day of class. The student and instructor will sign the Columbian College of Arts and Sciences (CCAS) contract for incompletes and submit it to the School Director. Consult the TSPPPA Student Handbook for the relevant CCAS policy.

9. **Grades:** No grade changes can be made after the conclusion of semester, except for clerical error.

10. **Accommodations for Students with Disabilities:** In order to receive accommodations on the basis of disability, a student must give notice and provide proper documentation to the Office of Disability Support Services, Marvin Center 436, 202-994-8250. Accommodations will be made based on the recommendations of the DSS Office. ([www.gwired.gwu.edu/dss](http://www.gwired.gwu.edu/dss)).

11. **University Student-Support Resources:** Help in addressing academic, social, and personal issues is available 24 hours a day, 7 days a week through the University Counseling Service, which can be reached at 202-994-5300 ([http://counselingcenter.gwu.edu/access-counseling-services](http://counselingcenter.gwu.edu/access-counseling-services)).
**Grading Standards**

A Excellent: Exceptional work for a graduate student. Work at this level is unusually thorough, well-reasoned, creative, methodologically sophisticated, and well-written. Work is of exceptional, professional quality.

A- Very Good: Very strong work for a graduate student. Shows signs of creativity and a strong understanding of appropriate analytical approaches, is thorough and well-reasoned, and meets professional standards.

B+ Good: Sound work for a graduate student; well-reasoned and thorough, without serious analytical shortcomings. This grade indicates the student has fully accomplished the basic objectives of this graduate course.

B Adequate: Competent work for a graduate student with some evident weaknesses. Demonstrates competency in the key course objectives but the understanding or application of some important issues is less than complete.

B- Borderline: Weak work for a graduate student but meets minimal expectations in the course. Understanding of key issues is incomplete. (A "B-" average in all courses is not sufficient to sustain graduate status in “good standing.”)

C+/ C / C- Deficient: Inadequate work for a graduate student; rarely meets minimal expectations for the course. Work is poorly developed or flawed by numerous errors and misunderstandings of important issues.

F Unacceptable: Work fails to meet minimal expectations or course credit for a graduate student. Performance has consistently failed to meet minimum course requirements. Weaknesses and limitations are pervasive.