Course Topics and Style

This is a survey course on how U.S. governments acquire and spend money. For both better and worse, budgeting is an incredibly important process. While people often think it is a dry and boring subject, in fact, it’s exactly the opposite. Budgeting involves fundamental issues of public policy, management, and politics. We will address those issues throughout the semester, using real-world documents and events. You should find that different parts of the course complement the graduate curriculum’s tracks in policy analysis, public management, health policy, education policy, and urban policy.

Assignments emphasize learn-as-you-do exploration of ideas and skills, particularly on how budgets are prepared and then executed at the micro level. This is essential knowledge for public managers, elected officials, and those who work with or seek to influence them.

As budgeting is my main research area, I’m capable of lecturing on these topics for many more hours than we have for the course, and you would learn something from that approach. But to the extent possible, I’d like class sessions to be a mix of discussion and lecture.

Readings

The required texts are:


All of the other readings can be accessed from the course Blackboard site. During the semester I
may change selected readings to take advantage of newly available sources. For each week, complete the readings in the order listed in syllabus. The Blackboard site also includes the displays I show in class.

For most assignments it is unnecessary to go beyond the assigned readings, but you will probably find it useful to keep abreast of current events regarding the federal and Maryland budgets. For Maryland, Maryland Matters and MarylandReporter.com are excellent places to start. You will also find many useful links on my budgeting and policy web pages:

American budgeting: [http://userpages.umbc.edu/~meyers/linkambud.htm](http://userpages.umbc.edu/~meyers/linkambud.htm)
Maryland budgeting: [http://userpages.umbc.edu/~meyers/linkmdstatebud.htm](http://userpages.umbc.edu/~meyers/linkmdstatebud.htm)
International budgeting: [http://userpages.umbc.edu/~meyers/linkintlbud.htm](http://userpages.umbc.edu/~meyers/linkintlbud.htm)
American politics, policy, and management: [http://userpages.umbc.edu/~meyers/linkampol.htm](http://userpages.umbc.edu/~meyers/linkampol.htm)

If you are interested in identifying other readings, or in receiving additional training about government and nonprofit financial management beyond what this course provides, or in working on a dissertation or thesis that relates to budgeting, please talk to me.

**Assignments and Grading**

I expect that you will attend class regularly, having completed the readings and assignments before they are covered in class.

Class participation will be 15% of your final grade. A variety of activities count as class participation: careful listening, speaking in discussions, roleplaying, and asking questions if you are confused.

In our class discussions, we will follow the rules of “academic freedom.” I hope that you will express your values as strongly as you would like, and respect the rights of others to do the same. I will express my own views at times, and when you disagree, I encourage you to challenge my position; you should be absolutely confident that I will not penalize you. The counterpart to this encouraged diversity of opinion, though, will be the academic exercise of analyzing our differences in reference to the concepts and methods covered in the course. My hope is that everyone—including myself—will end the semester having reconsidered some beliefs after exposure to new information from research and discussion.

The remaining 85% of your grade will be for weekly assignments; please email me your completed assignments by 9am on the day of class. Four assignments will give you practice in using simple skills for calculating and presenting budgets. If you have no experience with spreadsheets, during the first two weeks of the semester you should complete Appendices B and C of the Chen text. You may also find it helpful to purchase a basic text on Excel, and or to consult one of the many tutorials available for free online.
For the remaining assignments, you should aim for a clear and simple writing style, and a length of about two to three pages.

Academic integrity is strictly required for this course. For information on how to avoid plagiarizing, see my page: http://userpages.umbc.edu/~meyers/plag.htm.

Class Schedule and Assignments

1/29 Introduction to federal budget policy choices; the shutdown, public opinion, and partisanship in budgeting


Assignment (6%): Play The Fiscal Ship game, making choices that reflect your policy preferences, and without regard to political stances of the major parties. Print your “plan,” and bring a copy, and your computer, to class.

2/5 Basics of the budget process; life as a budget analyst; introduction to outcome budgeting; budgetary advocacy strategies

CWW10 Budget process overview

Kleine, pp. 1-52


A few pages to be determined from U.S. and Maryland budget documents

We will have two UMBC MPP alumni as guests: Bridget Patton, of Maryland Department of Budget and Management, and Mollie Willis, of U.S. Health and Human Services. Come to class with questions to ask them, including about the budget documents they helped prepare.

2/12 Budget formats; shifting to outcome budgeting

CWW11 The budget document; CWW9 Integrating budgeting with performance
Assignment (6%): Search through the Baltimore City 2019 budget detail volumes to choose a service that interests you. Describe how well the document answers the three questions mentioned in Kleine, p. 75, question 3 (how much? how well? better off?). Using chapter 4’s performance/priority matrix, identify in which quadrant you would tentatively place this service.

2/19 State and local government financial accounting and reporting; bond ratings


CWW25 Government and nonprofit accounting; CWW 26 Financial statement analysis


Spreadsheet assignment (#1) on Blackboard (9%): computing selected financial ratios

2/26 Executive budgeting and other institutional features; financial planning; public engagement; reform in Baltimore County

George Mason University Municipal Sustainability Project, 2013. “Baltimore Executive Summary,” and “San Bernardino Executive Summary”.


Baltimore County Commission on Fiscal Sustainability interim recommendations, if available

Assignment (6%): To be determined, but here’s a tentative version: Having now read half of Kleine’s book, what challenges do you anticipate Baltimore County will have in meeting the commission’s recommendations?
3/5 Federal budget concepts, baseline projections, and medium-to-long term policy options; measuring and reporting budget changes over time

CWW7 Inflation


Spreadsheet assignment (#2) on Blackboard (10%): calculating growth rates, adjusting spending data for price changes, choosing time periods for analysis; visually presenting budget data

3/12 Macroeconomic cycles and short-term discretionary fiscal policy; state budget balancing rules; cutbacks and reserve funds

CWW15 Budget cutbacks


Selected pages to be determined from Governor’s budget, DLS fiscal briefing, and interim Kirwan report

Assignment (6%): Write an opinion piece on how much money Maryland should set aside this budget year for its rainy day fund, compared to how much it should devote to funding the recommendations of the Kirwan commission.

Spring break

3/26 Budget preparation mechanics

CWW12 Determining the baseline budget; CWW13 Decision packages: cost estimate; CWW14 Decision packages: budget justifications; CWW8 Sensitivity analysis

Spreadsheet assignment (#3) on Blackboard (15%): Budget baseline preparation exercise
4/2  Cost accounting; budget execution; responsibility budgeting; managing organizational change in relation to the budget

CWW3 Fixed and variable costs; CWW4 Breakeven analysis; CWW5 Cost allocation; CWW22 Operating plan and variance analysis


Kleine 149-196

Selected pages from Baltimore County budget

Assignment (6%): To be determined, but here’s a tentative version: For a service you choose from the Baltimore County budget, what questions would you ask in order to help find cost savings?

4/9  Tax bases, rates, and incidence; optimal taxation criteria; tax expenditures; revenue estimating and volatility

Gruber, selected pages on taxes, pre-TCJA


No assignment

4/16  Tax increases and tax revolts; avoidance and evasion; economic development subsidies


Opportunity zones readings, to be determined

Assignment (6%): Should Maryland supplement the federal opportunity zone incentives, and if so, what requirements beyond federal ones, if any, should the state require investors and/or developers to meet?

4/23 Legislative/Congressional budgeting

CWW16 Legislative budget tools


No assignment

4/30 Capital budgeting and financing; public-private partnerships

CWW6 Time value of money; CWW18 Life cycle costing; CWW19 Capitalization and depreciation; CWW20 Long-term financing


Spreadsheet assignment (#4) on Blackboard (9%): time value of money calculations; connecting capital and operating budgets
5/7 Internal controls and auditing; contracting; pensions and OPEB

CWW21 Investment strategies; CWW23 Cash management and internal controls


Analysis of Maryland OPEB status and fiscal note on state retiree Rx coverage, to be determined

No assignment

5/14 Priority-setting under variants of performance/outcome budgeting; course wrap up

Kleine, pp. 197-238


Assignment (6%): For the federal budget, identify a service that you would like to create or expand. Justify this expansion, including a rationale for offsetting the expenditure by reducing or eliminating a specific current program or tax expenditure.