NEW YORK UNIVERSITY
ROBERT F. WAGNER GRADUATE SCHOOL OF PUBLIC SERVICE

P11.2143
Government Budgeting
Fall 2009
Tuesdays 6:45-8:25 pm
Silver 504

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Office hours: Mondays 4:00-5:30 pm and by appointment
Puck 3044

Course Description
This course provides an introduction to government budgeting. The first half of the course consists of lectures, case studies, and memo-writing; the second half consists of a budgeting laboratory in which students work in teams to prepare a budget for a local government. Throughout the course, students will have a chance to apply the tools learned in the core financial management course, such as net present value and variance analysis; acquire additional financial management tools, such as revenue-forecasting techniques; and further develop their Excel skills, particularly the creation and use of pivot tables.

Prerequisites
P11.1011: Statistics
P11.1018: Microeconomics
P11.1021: Financial Management
P11.2140: Public Economics (recommended but not required; may be taken concurrently)

Course Materials
Case studies: Available for purchase from the professional bookstore
Budget lab: Rabin, Hildreth, & Miller, Public Budgeting Laboratory Data Sourcebook, 2nd edition

Grading
Case-study memos: 40%
Budget-lab assignments: 40%
Participation: 20%
Case-Study Memos (40%)

There are four case-study memos, each worth 10% of your course grade. Each memo must be two pages long, single-spaced, with one-inch margins and a 12-point font, and must include a professional memo heading with to, from, subject, and date lines. Please use complete sentences and paragraphs. Do not use bullet points. Memos that do not meet these requirements will not receive full credit.

If an assignment requires quantitative analysis (Memos 1, 2, and 3), please use Excel and attach your spreadsheets to the end of your memo (spreadsheets do not count toward the page limit). I will provide Excel templates for Memos 1 and 3.

I encourage you to discuss the memo assignments with your classmates, but each student must prepare his or her own memo and Excel spreadsheets.

Budget-Lab Assignments (40%)

There are four budget-lab assignments, each worth 10% of your course grade. Each assignment consists of a two-page memo (see guidelines above) plus Excel attachments. Excel templates will be provided for all four assignments.

Budget-lab assignments are completed in teams. Each team submits a single assignment and all team members receive the same grade on that assignment.

Instructions for Submitting Case-Study Memos and Budget-Lab Assignments

All assignments must be submitted electronically on the course website on the Monday night before class AND in hard copy in class. Late assignments will not receive any credit except in extreme cases such as medical emergencies.

Participation (20%)

Because this course is based on the case and laboratory method, it will only work well with active participation from all students. I expect you to come to class having carefully read all of the assigned readings and ready to exchange ideas with your classmates. Your participation grade will be based on not only the quantity but also the quality of your contributions to the class discussion.

I understand that you might need to miss a class sometime during the semester; however, missing several classes will result in a lower course grade except in extreme cases such as medical emergencies. If you need to miss a class, you do not need to notify me. However, you are responsible for finding out what you missed—including any announcements made in class—from one of your classmates. The last two classes are very important and should not be missed.
Course Outline: Readings and assignments are to be completed before the dates listed below. Note that this means there is a reading assignment for the first class.

September 8: Introduction
Readings: Textbook chapter 1 (focus on pp. 18-30; skim the rest) and chapter 4

September 15: The Budget Process
Readings: Textbook chapter 7
- “Learning by the Case Method”
Case Study: “The Reagan Revolution”

September 22: Taxes
Readings: Textbook chapters 10 and 11

September 29: Intergovernmental Grants
Readings: Textbook chapters 2 and 3
Case Study: “Funding Schools in Washington State”

October 6: User Charges
Readings: Textbook chapter 12 (up to p. 345)
Case Study: “Fare Deal: Pricing Public Transit in New York”
Assignment: Memo 1

October 13: Privatization and Economic Development
Readings: Textbook chapter 12 (p. 345-end) and Chapter 13
Case Study: “Trash Collection in Lone Pine: To Privatize or Not?”
Assignment: Memo 2
October 20:  Capital Budgeting and Debt Management
Readings:    Textbook chapters 6 and 14
Case Study:  “Grand Central Terminal: Restoring the Grandeur”
Assignment: Memo 3

October 27:  Investment Management and Public Pensions
Readings:    Textbook chapters 16 (p. 469-end) and 18
Case Study:  “Pension Reform in California”
Assignment: Memo 4

November 3:  Introduction to the Budgeting Laboratory
Readings:    Textbook chapter 5
              Budget lab part 1 (pp. 1-27)

November 10: Revenue and Expenditure Histories
Assignment:  Lab Assignment 1

November 17: Revenue Forecasting
Assignment:  Lab Assignment 2

November 24:  NO CLASS

Meet with teammates to prepare expenditure requests and presentations

December 1: Expenditure Requests
Assignment:  Lab Assignment 3 and Team Presentations

December 8: Budget Preparation
Assignment:  Lab Assignment 4