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

PADM-GP.2143
Government Budgeting
Fall 2012
Tuesdays 6:45-8:25 pm
Tisch LC9

Professor Shanna Rose
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Office hours: Mondays 4:00-5:30 pm or by appointment

Course Description
This course provides an introduction to government budgeting. The first part of the course consists of lectures, case studies, and memo-writing; the second part 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 Pivot Tables and Charts.

Prerequisites
CORE-GP.1011: Statistics
CORE-GP.1018: Microeconomics
CORE-GP.1021: Financial Management
CORE-GP.1022: Public Policy (recommended; may be taken concurrently)
PADM-GP.2140: Public Economics (recommended; may be taken concurrently)

Excel
In this course, students will be required to use many advanced Excel tools such as Pivot Tables and Charts, Goal Seek, Lookup formulas, etc. Students who are unfamiliar with these tools should register for the Excel II Workshop (NONCR-GP.933).

Course Materials
(Either paperback or hardcopy is fine. There is a copy on reserve at Bobst Library.)

Case studies: Available for purchase from the NYU bookstore

Other materials: To be posted on Blackboard
Course Grades
Mid-semester quiz: 15%
3 case-study memos: 30%
4 budget-lab assignments: 40%
Class participation: 15%

Mid-Semester Quiz
In the second half of class 5, there will be a quiz on the material covered in the first five weeks.

Case-Study Memos
There are three case-study memo assignments, each worth 10% of your course grade. Each memo must be no more than two pages, single-spaced, with one-inch margins and a 12-point font. Memos that do not meet these requirements will not receive full credit. Each memo has an Excel component; please attach your spreadsheets to the end of your memo (spreadsheets do not count toward the page limit). You may discuss the memo assignments with your classmates, but each student must prepare his or her own memo and Excel spreadsheets. Memos must be submitted in hard copy at the beginning of class. Late assignments will not receive any credit except in extreme cases such as medical emergencies.

Budget-Lab Assignments
There are four budget-lab assignments, each worth 10% of your course grade. Assignments 1, 2, and 4 consist of a two-page memo (see guidelines above) and Assignment 3 consists of a PowerPoint presentation. Each lab assignment has an Excel component. Lab assignments are completed in teams. All team members will receive the same grade on Assignments 1, 2, and 4; students will receive individual grades on Assignment 3. To minimize free-riding, at the end of the semester I will ask students to fill out a survey about their teammates’ contributions to the team effort, and will adjust individual students’ grades accordingly. Budget-lab assignments must be submitted electronically on the course website by 11:59 pm on the Monday night before class. Late assignments will not receive any credit except in extreme cases such as medical emergencies.

Class Participation
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 must be completed by the dates listed below. Note that there is a reading assignment for the first class. Case studies relate to the previous week’s lecture topic so that you have a chance to digest the lecture material beforehand. For example, in class 3 we will discuss a case study on the federal budget process that builds on the material learned in class 2.

September 4: The Budget Context and Outlook
Read before class: Textbook chapters 1 and 4

September 11: The Budget Process
Read before class: Textbook chapter 7
CRS, “Introduction to the Federal Budget Process”

September 18: The Budget Process (continued); Fiscal Federalism
Read before class: Textbook chapters 2 and 3
Shanna Rose, “Institutions and Fiscal Sustainability,” National Tax Journal
Vol. 63, No. 4 (December 2010): 807–838. (Posted on Blackboard)
CASE: “The Reagan Revolution”

September 25: Taxes
Read before class: Textbook chapters 10 and 11
CASE: “Funding Schools in Washington State”

October 2: User Charges
Read before class: Textbook chapters 12 (up to p. 345) and 13 (skim)
In class: Mid-semester quiz

October 9: Privatization and Procurement
Read before class: Textbook chapter 12 (p. 345-end) and 15 (skim)
CASE: “Fare Deal: Pricing Public Transit in New York”
Due in class: Memo 1 (“Fare Deal”)
October 16: *** NO CLASS: OCTOBER RECESS ***

October 23: Capital Budgeting and Debt Management
Read before class: Textbook chapters 6 and 14
    CASE: “Trash Collection in Lone Pine: To Privatize or Not?”
Due in class: Memo 2 (“Trash Collection”)

October 30: Public Pensions and Investment Management
Read before class: Textbook chapters 16 (p. 469-end), 18, and 19 (skim)
    CASE: “Grand Central Terminal: Restoring the Grandeur”
Due in class: Memo 3 (“Grand Central”)

November 6: Introduction to the Budgeting Laboratory
Read before class: CASE: “Pension Reform in California”
    Budget lab data sourcebook pp. 1-27 (Posted on Blackboard)

November 13: Forecasting Revenues and Expenditures
Read before class: Textbook chapter 5
Due before class: Lab assignment 1 (Revenue history)

November 20: Forecasting Revenues and Expenditures (Continued)
Due before class: Lab assignment 2 (Revenue forecast)

November 27: *** NO CLASS: PREPARE TEAM PRESENTATIONS ***

December 4: Budget Hearings
Due before class: Lab assignment 3 (Expenditure request)
In class: Team presentations

December 11: Budget Preparation
Due before class: Lab assignment 4 (Budget proposal)