Course Description

This is a course in state and local government budgeting in the United States. The course emphasizes budgetary policy and management, analytical techniques, and written and verbal communication. The course builds upon the concepts and techniques students learned in their core courses in financial management, microeconomics, and statistics, and it will introduce new analytical tools, including: bond analysis, fund accounting, payroll simulation, performance budgeting, and revenue estimation. In addition, students will further develop their Excel skills—particularly the use of linear regression.

Course Objectives

By the conclusion of the semester, students will learn:

1. The functions, processes, and institutions of state and local government budgeting in the U.S.
2. The interconnection of fund accounting, operating budgets, and capital budgets in U.S. state and local governments.
3. The core policies and management practices that govern revenue collection and administration, personal services (PS), other than personal services (OTPS), capital budgeting, debt management, pensions, other post-employment benefits (OPEB), and public-private partnerships (P3s) in U.S. state and local governments.
4. A set of new analytical tools, including: bond analysis, fund accounting, payroll simulation, performance budgeting, and revenue estimation.
5. New skills in Microsoft Excel, especially linear regression.

Prerequisites

1. CORE-GP 1011: Statistical Methods for Public, Nonprofit, and Health Management
2. CORE-GP 1018: Microeconomics for Public Management, Planning, and Policy Analysis
3. CORE-GP 1021: Financial Management for Public, Nonprofit, and Health Organizations
Required Textbook


In addition to chapters in the textbook, which is on reserve at the Bobst library, I will post readings to NYU Classes. Lectures, assignments, and the exam require that you complete all assigned readings prior to their corresponding class meetings.

Microsoft Excel

This course does not require formal instruction in Microsoft Excel. Students seeking instruction in Excel, however, may enroll in Excel Computer Module II (NONCR-GP.933). It is offered most fall and spring semesters.

Writing and Presenting

Quality written and verbal communications are essential to career advancement in any field of public service—including budgeting. Once analyses have been completed, results must be communicated clearly and cogently to decision-makers via emails, memos, issue briefs, and presentations. I will grade assignments not only on technical accuracy but also on the quality of your writing and presentation *per se*. I will provide feedback on both, but students seeking assistance with writing or presenting may enroll in Professional Writing (NONCR-GP.907) or Presentation Skills (NONCR-GP.103). Both are offered most fall and spring semesters, or pre-term. In addition, NYU Wagner makes a writing tutor available to you, free of charge.

Assignments

Discussion Articles
In addition to textbook chapters and other readings, most weeks you will be assigned an article (usually by either a nonpartisan research organization or a media organization) that discusses some important aspect of the week’s topic. As I will dedicate a portion of class to discussing each article, it is especially critical that you come to class having closely read the discussion article. You will submit a weekly paragraph-length summary of each discussion article via NYU Classes.

Case Analyses
You will respond to two case studies with a one-page memo. Citations, figures, and tables will not count toward or against the one-page length. I will post detailed assignment sheets to NYU Classes.

Exam
There will be an in-class exam during Class 8. You may bring one standard (8.5” x 11”) sheet of notes (2 sides) to the exam. Your notes may be handwritten or typewritten, and there are no restrictions on content.
Budget Request
You will construct a complete budget request for a fictional agency. I will provide you parameters, a template, and data, and you will use this information to prepare the agency’s budget request for the coming fiscal year. In addition to a Microsoft Excel spreadsheet, you will submit a two-page memo to the fictional department head. Citations, figures, and tables will not count toward or against the two-page length. I will post a detailed assignment sheet to NYU Classes.

Issue Brief
You will complete your final assignment in pairs. You will investigate one of the course topics of your choice in a government context of your choice, subject to my approval. For instance, you might study pension fund management in a state or a structural deficit in a city. The assignment requires data collection from news reports, CAFRs, government databases (Census, BEA, BLS, etc.), and other official documents and databases, and it will culminate with a co-written five-page issue brief and a 10-minute presentation. I will post a detailed assignment sheet to NYU Classes.

Assignment Deadlines
You will submit all assignments via NYU Classes, and I will not accept any late assignments. You must plan accordingly to submit assignments in advance of their deadlines to ensure a timely submission. If you cannot submit a completed assignment by the deadline, you should submit whatever work you have partially completed.

Academic Integrity
You are responsible for knowing and following NYU Wagner’s policies on academic integrity. I will summarily report all suspected violations of academic integrity, including cases of unauthorized collaboration on an assignment, to Wagner’s Vice Dean for Academic Affairs.

Students with Disabilities
New York University is committed to providing equal educational opportunity and participation for students with disabilities. Any student who needs a reasonable accommodation based on a qualified disability is required to register with the Moses Center for Students with Disabilities (CSD) for assistance.

Grading
Your course grade will be calculated as follows:

10%: Discussion Article Summaries
30%: Case Analyses (2 x 15%)
20%: Exam
20%: Budget Request
20%: Issue Brief
Class Dates and Topics

September 14  Class 1: The Budget Function
  • Goals and objectives of government budgeting
  • Budgetary context and fiscal outlook

Reading
  1. BHM Chapters 2 and 3
  2. Discussion article: “NYC IBO Fiscal Outlook”

September 21  Class 2: The Budget Process
  • The budget cycle and budget formats
  • Actors, procedures, and institutions

Reading
  1. BHM Chapters 4 and 6
  2. “What Types of Performance Information Should be Tracked?”
  3. Discussion article: “Introduction to the Federal Budget Process”

September 28  Class 3: Budgetary Accounting
  • Accounting bases and standards
  • Fund accounting and budgeting

Reading
  1. BHM Chapter 5
  2. Discussion article: “New Rule to Lift Veil on Tax Breaks”

DUE: Case Analysis 1 (Performance Budgeting)

October 5  Class 4: Taxes, Charges, and Fees
  • Policies and administration
  • Pricing public goods and services

Reading
  1. BHM Chapters 8, 9, and 10
  2. Discussion article: “Blame Inequality”

October 13*  Class 5: Revenue Forecasting
  • Linear regression
  • Consensus Forecasting

Reading
  1. “Basic Forecasting Concepts”
  2. Discussion article: “Why States are Getting Worse at Predicting Tax Revenue”

* Note: Due to a “Legislative Day,” we meet on Tuesday, October 13 (usual time and location).
October 19  Class 6: Personal Services (PS), OTPS, and Public-Private Partnerships (P3s)
- Payroll cost accounting and simulation
- OTPS and P3s

Reading
1. BHM Chapter 16
2. Discussion article: “Private Capital, Public Good”

Due: Case Analysis 2 (Revenue Forecasting)

October 26  Class 7: Capital Budgeting and Debt Management
- Capital planning and budgeting techniques
- Bond analysis

Reading
1. BHM Chapters 11 and 12
2. Discussion article: “Debt market: End of the bond bull run”

November 2  Class 8: EXAM

November 9  Class 9: Investments, Pensions, and OPEB
- Investment types and analysis
- Budgeting for pension benefits and OPEB

Reading
1. BHM Chapter 13
2. Discussion article: “When Wall Street Offers Free Money, Watch Out”

November 16  Class 10: Preparing a Budget Request
- Parameters and procedures
- Data analysis

Reading
Discussion article: “The budget cycle: Preparation and legislative approval”

November 23  Class 11: Accountability and Ethics
- Financial and performance audits
- Budgeting and vulnerable populations

Reading
1. BHM Chapter 17
2. Discussion article: “Implementing Budget Cuts in the Basic Health Plan”
November 30  Class 12: Government Fiscal Sustainability
  • Structural deficits and imbalances
  • What is the path forward?

Reading
1. “Structural Challenges in State Budgeting”
2. “Fiscal Uncertainty and How to Deal With It”
4. Discussion article: “Dynamic Scoring in Congress is Defensible but Slippery”

**Due: Budget Request**

December 7  Class 13: Presentation Day 1

Reading
Discussion articles as assigned by presenters.

December 14  Class 14: Presentation Day 2

Reading
Discussion articles as assigned by presenters.

December 21*  Class 15: Presentation Day 3

Reading
Discussion articles as assigned by presenters.

* Note: December 21 is our assigned final exam day. We meet at the usual time and location.

December 23  **Due 5 pm: Issue Brief**