



NYU

**ROBERT F. WAGNER GRADUATE
SCHOOL OF PUBLIC SERVICE**

PADM-GP 2143.001

Government Budgeting

Spring 2019

Instructor Information

- Travis St.Clair
- Email: travis.stclair@nyu.edu
- Office Address: Puck 3048 (3rd Floor)
- Office Hours: Thursdays, 3:30–5:30pm, or by appointment
 - Sign up here: calendly.com/travis-stclair

Course Information

- Class Meeting Times: Wednesdays 4:55–6:35pm
- Class Location: Silver, Rm. 507

Course Prerequisites

- CORE-GP 1011: Statistical Methods for Public, Nonprofit, and Health Management
- CORE-GP 1018: Microeconomics for Public Management, Planning, and Policy Analysis
- CORE-GP 1021: Financial Management for Public, Nonprofit, and Health Organizations

Course Description

An understanding of government budgeting is critical to understanding the policy process and the workings of government. This course covers the theory and practice of government budgeting at both the national and subnational levels. It reviews how governments raise revenue, the process and procedures by which they allocate funds, and the various budgetary institutions that shape fiscal outcomes. The course builds on the concepts and techniques that students learned in their core courses in financial management and microeconomics and introduces new tools that can be applied to the analysis of budgetary information. Along the way, the course draws on insights from political science, economics, accounting, and public administration.

Course and Learning Objectives

By the conclusion of the semester, students will learn:

1. The functions, processes, and institutions of government budgeting
2. The interconnectedness of fund accounting, operating budgets, and capital budgets.
3. A set of new analytical tools, including: revenue forecasting, fund accounting, payroll simulation, performance budgeting, and fiscal condition analysis.
4. How to prepare and critically assess key budget documents.

Learning Assessment Table

Corresponding Course Learning Objective	Corresponding Assignments
#1	Quiz, Memos #1-3, Budget Summary
#2	Memos #1-3
#3	Memos #1-3
#4	Memos #1-3, Budget Summary

Course Materials

The textbook for this course is: Mikesell, *Fiscal Administration*, Tenth Edition (2018), Wadsworth. You are welcome to rent or purchase an earlier edition, but it is your responsibility to ensure that the chapters align. If you do not wish to buy the textbook, there are several copies on reserve at Bobst Library.

Course Requirements

There will be four components used in determining your final grade for the course:

Quiz, 20%

- There will be an in-class quiz during Class 5. The quiz will be closed book and closed notes.

Memos, 70%

- You will be required to write three 2-3 page memos, each of which will require accompanying spreadsheets. Specific instructions for the written assignments will be passed out at a later time. All assignments should be submitted via NYU Classes. You must upload a single Microsoft Word document with your Microsoft Excel spreadsheet(s) and figures embedded in the document.
 - Memo: Revenue Forecast, 25%
 - Memo: Budget Request, 20%
 - Memo: Budget Analysis, 25%

Summary of Budget Hearing, 10%

- At some point during this semester, you must attend a NYC City Council budget hearing and write up a short description (1 page single-spaced) of what occurred as well as where the budget process currently stands. The schedule of committee meetings can be found here: <http://legistar.council.nyc.gov/Calendar.aspx>. (Search under “Committee on Finance.”) The budget hearings typically occur March-May. You may attend any hearing/meeting of your choice, so long as you turn in your summary before the end of the semester. The last day I will accept your summary is May 10th. Additional information is provided in a hand-out posted to NYU Classes.

Class Participation

- While class participation will not be a formal part of your grade, all students are expected to come to class having read the assigned material, and be prepared to engage in class discussion. Participation will be a factor in determining course grades in cases where a student is on the margin between two grades.

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner's Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or mosescsd@nyu.edu) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

NYU's Calendar Policy on Religious Holidays

[NYU's Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

Overview of the Semester

Week	Date	Topics	Assignments
1	January 30	Principles of Public Finance	
2	February 6	Taxation – Evaluation Criteria	
3	February 13	Income and Property Taxes	
4	February 20	User Fees and Taxes on Goods and Services	
5	February 27	Tax Expenditures	Quiz
6	March 6	Revenue Forecasting - The Budget Process	
7	March 13	Budget Concepts	
8	March 20	Spring Break – No Class	
9	March 27	Budget Preparation	Memo #1 Due
10	April 3	Budget Approval	
11	April 10	Comparative Budgeting and the U.S. Federal Budget Process	
12	April 17	Budget Execution	Memo #2 Due
13	April 24	Capital Budgeting	
14	May 1	Fiscal Federalism	
15	May 8	Fiscal Sustainability	
16	May 15		Memo #3 Due

Course Outline and Reading List

WEEK 1: Principles of Public Finance

- Why government?
- How much government?

Read before class:

- Mikesell, Chapter 1 and Chapter 2 up to page 55 (“Budget Process and Logic”)

WEEK 2: Taxation: Evaluation Criteria

- Equity
- Efficiency
- Tax incidence

Read before class:

- Mikesell, Chapter 8
- (Optional/PhD) Doyle and Samphantharak, \$2 Gas! Studying the Effects of a Gas Tax Moratorium

WEEK 3: Income and Property Taxes

- Payroll Taxes
- Deductions and Credits

Read before class:

- Mikesell, Chapters 9,11
- (Optional/PhD) Serrato and Zidar, The Structure of State Corporate Taxation
- (Optional/PhD) Slemrod, Is This Tax Reform, or Just Confusion?

WEEK 4: User Fees and Taxes on Goods and Services

- Value Added Taxes
- Taxes as Instruments of Social Policy

Read before class:

- Mikesell, Chapters 10, 12
- Tax Policy Center, The Evolution of Online Sales Taxes
- Tax Policy Center, Taxing Carbon: What, Why, and How? [skim for main ideas]

WEEK 5: Tax Expenditures

➤ QUIZ

Read before class:

- Mikesell, Chapter 13, pages 627-633 (section on “Tax Expenditure Budgets”)

WEEK 6: Revenue Forecasting - The Budget Process

- The Budget Cycle
- Main Actors

Read before class:

- Mikesell, Chapter 2 from p. 55–end (starting from “Budget Process and Logic”)
- Mikesell, Chapter 13 up to page 627 (“Tax Expenditure Budgets”)
- Pew Center on the States, States’ Revenue Estimating: Cracks in the Crystal Ball
- Review the budget process of NYC:
 - <https://council.nyc.gov/budget/process/>
 - <https://council.nyc.gov/budget/how-nycs-budget-works/>

WEEK 7: Budget Concepts

- Budget Formats
- Performance Budgeting
- Budgetary Accounting
- Fund Accounting

Read before class:

- Mikesell, Chapter 6
- Rodgers and Sullivan, Reconsidering the President's Commission on Budget Concepts of 1967
- CBO, Cash and Accrual Measures in Federal Budgeting
- IBM Center for the Business of Governments, Baltimore's Outcome Budgeting Approach

SPRING BREAK – NO CLASS

WEEK 8: Budget Preparation

- The Personnel Budget
- Preparing the budget request

Read before class:

- Mikesell, Chapter 3 (up to p. 131, "Managing Budget Execution")

WEEK 9: Budget Approval

- MEMO #1 Due
- State and Local Budget Processes
- Budgetary Institutions

Read before class:

- Mikesell, Chapter 5
- Urban Institute, Sustainable Budgeting in the States [skip appendices]
- Volcker Alliance, Truth and Integrity in State Budgeting [skim]

WEEK 10: Comparative Budgeting and the U.S. Federal Budget Process

- Proposed Reforms to the U.S. Process

Read before class:

- Mikesell, Chapter 4
- CBPP, Introduction to the Federal Budget Process [read as needed]
- Domenici and Rivlin, Proposal for Improving the Congressional Budget Process
- Lienert, Who Controls the Budget
- (Optional) OECD, Budgeting in Australia

WEEK 11: Budget Execution

- Auditing
- Government Financial Reporting

Read before class:

- Mikesell, Chapter 3 (p. 131-end, from “Managing Budget Execution”)
- (Optional/PhD) Liebman and Mahoney. Do Expiring Budgets Lead to Wasteful Year-End Spending? Evidence from Federal Procurement.

WEEK 12: Capital Budgeting

- MEMO #2 Due
- Debt Management
- P3s

Read before class:

- Mikesell, Chapter 7, Chapter 15
- Brookings, Private Capital, Public Good

WEEK 13: Fiscal Federalism

- Intergovernmental Grants

Read before class:

- Mikesell, Chapter 14
- Congressional Research Service, Block Grants: Perspectives and Controversies
- Brookings, Block Grants: Flexibility vs. Stability in Social Services

WEEK 14: Fiscal Sustainability

- Pensions
- OPEB

Read before class:

- Pew, The State Pension Funding Gap: 2016
- Brookings, A Long Term Budget for Entitlements and Required Revenues
- GAO, State and Local Government Fiscal Outlook: 2018 Update

WEEK 15: NO CLASS

- MEMO #3 Due at 5pm