

## **Syllabus: PUAD 661, Public Budgeting Systems**

*Catalog Description: Survey focusing on the policy and theoretical framework of revenue and expenditure choices at all levels of government. Topics include development, theories, and structure of budgeting; political, economic, and managerial aspects of public budgeting; public policy implications; and budgetary reform movements and their successes and failures.*

### *Texts:*

J. Mikesell. (1999) Fiscal Administration 6<sup>th</sup> edition. Wadsworth Publishers  
R.D. Lee, Jr., R. Johnson, and P. Joyce (2004) Public Budgeting Systems, 7<sup>th</sup> Edition, Jones & Bartlett Publishers

References to other reading will be provided as the course proceeds. Guidelines for the project will be given under separate cover.

*Grading:* 2 quizzes worth 50% of total grade; a budgeting project (25%); a short paper (15%); and class participation (10%). Students must show instructor a draft of the budget project by 11/3/05. For the budget project, individuals or groups of students (no larger than 3) will take a program, service or obligation, and, relying on the texts, course outline and instructions provided by the instructor will produce a budget. For groups, students must clearly indicate work done by individuals in the group. Only one grade will be given for group projects. The completed project must be submitted to the instructor by 12/01/05. Students will be required to submit a 3-5 page paper on a topic related to budgeting. Topics must be approved by the instructor by 10/13/05. Completed papers must be submitted to the professor by 10/27/05.

*Late Assignments:* Assignments are to be submitted by e-mail on or before the date specified. Late assignments will not be accepted.

*Honor Code:* The GMU Student Honor Code is strictly enforced in this course. The Honor Code is located in the GMU Student Handbook at:

[www.gmu.edu/mlstudent/handbook/policies](http://www.gmu.edu/mlstudent/handbook/policies).

In a nutshell it says turn in work that is your own.

*Special Needs:* Anyone requiring special needs or accommodation due to documented disability should notify me as soon as possible. I will be glad to accommodate your needs. However, you are responsible for making me aware of your needs and requesting the accommodation. NOTE: I am not required to retroactively change grades for assignments or exams already completed before being notified of your need for accommodation.

*Attendance:* It is understood that from time to time students may miss class. Every effort should be made to attend every class. When an absence is unavoidable, students are responsible for informing the professor as soon as

possible about an absence and for making arrangements to obtain any information distributed in the missed class and to submit any assignments due at the time of the missed class.

*Topics and dates* – the topics dates are tentative. Topics will overlap from week to week.

*GMU email* – be sure to go to

<http://itusupport.gmu.edu/STG/emailaccess.asp>

for instructions on how to redirect GMU email to your ISP. The URL from ITU support provides the instructions. Questions can be directed to 703 993 8870 or [support@gmu.edu](mailto:support@gmu.edu). Neither MPA instructors nor the MPA staff can assist with any technical questions on redirecting GMU email to your ISP. The GMU registrar system will often be used to send class material to GMU students.

## Topics

Each session will begin with a discussion of current budget topics in the news. Students are requested to bring articles on current issues or questions on events for these discussions.

1. Introductions, discussion of class requirements
2. Definition of public budget: fiscal allocation and control and management plan, including political, social and economic trade offs;
3. Readings: Mikesell, "Introduction, Fundamental Principles of Public Finance"  
Lee, Johnson, & Joyce Chapter 1 Definitions  
Class to work in groups to provide their own definition(s) of a public budget
- 3.1. If possible, students should bring samples of budgets and budget forms
4. Potential Major Themes for public finance and budgeting
5. Public budgeting as part of financial management;
  - 5.1. An integrated view
    - 5.1.1. wishes of representative government, accounting system, budgeting, implementation, measures of performance, financial success and health, and the audit are coordinated
  - 5.2. a nonintegrated system
    - 5.2.1. The elements of wishes of representative government, accounting system, budgeting, implementation, measures of performance, financial success and health, and the audit are uncoordinated
  - 5.3. Scope and nature of government Lee & Johnson Chapter 2
  - 5.4. Provision production Mikesell, Chapter 1, especially pp 11-14
    - 5.4.1. The government can provide for a product or service but the market can produce some services government provides
    - 5.4.2. Progressivism v. public choice
      - 5.4.2.1. Control markets v. deal with market failures
6. *The budget cycle An Overview*

- 6.1. The budget process: Readings: Lee, Johnson Joyce, Chapter 3; Mikesell, Chapters 2 - 4
- 6.2. Overview of Federal government budgeting
- 6.3. Relating the budget process to state, local, and non-profit organizations
7. *Types of budgets* Readings: Mikesell, Chapter 5; Lee, Johnson, Joyce Chapter 5 pp 115-126
  - 7.1. Traditional line item budget
  - 7.2. Program budgets
  - 7.3. Performance budgets
  - 7.4. Zero-Based Budgeting
  - 7.5. Developing performance standards
8. Budget Preparation – Revenues Readings: Lee, Johnson, Joyce Chapter 4 Mikesell Chapter 7
  - 8.1. Tax Equity
  - 8.2. Tax Adequacy
  - 8.3. Political implications
  - 8.4. Tax Expenditures
  - 8.5. Types of taxes
    - 8.5.1. Taxes on Income - Mikesell Chapter 8
    - 8.5.2. Taxes on goods & Services – Mikesell Chapter 9
    - 8.5.3. Taxes on Property – Mikesell Chapter 10
  - 8.6 Users fees – Mikesell Chapter 11
9. The Approval Process
  - 9.1. The Congressional Budget Process
  - 9.2. State & local government
    - 9.2.1. Biennial budgets and other formats
    - 9.2.2. Legislative powers – difference among states
  - 9.3. Non-profit organizations
10. Capital Budgeting Readings: Mikesell Chapter 6; Lee, Johnson, Joyce Chapter 12
  - 10.1. Reasons for capital budgets
  - 10.2. Relation to balanced budget
  - 10.3. “Why Doesn’t the U.S. Government have a capital budget?”
  - 10.4. Borrowing & Debt
11. Budget Execution
12. Audit and Performance Review

Prof. Art Sauer, [art\\_sauer@hotmail.com](mailto:art_sauer@hotmail.com);