

Introduction to Public Budgeting
POLS 4325/5325
Spring 2019

Professor:

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Office Hours: Wednesday 2:00-4:00

Course Description:

This course focuses on public budgeting at all levels of government as well as the economic and political aspects of budgeting. It also features a real time case-study of a city in St. Louis County (Rock Hill).

Goals of the Course:

This course provides you with an introduction to Public Budgeting. You will not only learn how the public administrator or nonprofit executive can use budgeting as a financial and management accounting tool but as a leadership enabler in developing and deploying policy in the public or non-profit organization's work.

The course will also provide you familiarity with the process of public budgeting and with the terms that shape its language. You will learn about issues that affect the budgeting process, such as politics, political ideas and traditions, and policy analysis. You will also have the opportunity to explore public budgeting from the viewpoint of a local municipality as the ultimate intent of your instructors is to help you to formulate your own public budgeting beliefs, attitudes and process.

Learning Objectives:

1. Explain how and why public budgeting is much more than the collecting and managing of numbers that represent how tax dollars will be collected, moneys borrowed, and spent.
2. Explain how and why the budgeting process can be used a communication tool in connecting the elected with the populace.
3. Explain how and why the public budgeting process can be a lever aligning problems, politics and solutions.
4. Explain how and why the public budgeting process can launch the public sector down the path of performance management.

City of Rock Hill Budgeting Assignments

This is the major assignment in the course and it consists of 3 parts or separate, smaller assignments. The goal of these assignments is to help the city of Rock Hill with its major budget issues. Unlike other college assignments, this is one where you will have some real-world

impact. You will be working with real-life data and will make presentations at the end to real city officials and other interested parties.

The City of Rock Hill has 5 top budget priorities:

- 1) Streets
- 2) Salaries
- 3) Pension funding
- 4) New facilities (if enough students)

This will enable us to divide the class up into teams of 2 per priority. The Rock Hill Board of Alderman have identified these 4-5 areas as ones they need to address this fiscal year. Working on these issues does not mean that they will all be resolved in one year. As you will see, these priorities will require several years to be fully implemented by the city of Rock Hill.

Specifically, the Board is looking for advice and recommendations on:

1. Spending up to \$5 million on street work
2. Raise city employees' salaries by 15%
3. Spending \$6.5 million for new public facilities
4. Getting to fully funded pensions for city employees
5. Most cost-effective means for implementing body cams

The students will be divided up in to 4-5 teams of 2 to address each one of these priorities. Each semester-long project consists of 3 parts due at different times during the semester.

1. Streets:

- 1st assignment—identify which streets are bad and how much they would cost to replace or fix? Determine how much Rock Hill can really spend on its streets.
- 2nd assignment— Present a prioritization plan of streets with total costs and timeline. Identify ideas to fund the street plan and rank order them. Where is the money going to come from?
- 3rd assignment—presentation to board (20 minutes); make policy recommendation to board and come up with a professional, implementable plan

2. Salaries:

- 1st—students on this team will receive the salary schedule of the city's 30 employees. The board wants to raise salaries by 15% so that Rock Hill is competitive with other nearby cities like Webster Groves, Brentwood, etc. Is 15% the correct adjustment to make Rock Hill competitive with other cities? Could the city spend less and still be competitive? Does it need to spend more?
- 2nd—how would Rock Hill fund the salary increase? Project it out over 5 years; what is the cost going to be at the end of 5 years and adjusting for inflation. What about after 10 years? What will the city's salary structure look like?
- 3rd— presentation to board (20 minutes); policy recommendation to board and professional, implementable plan

3. Pension Funding:

- 1st—the city's current pension plan is underfunded, at around 65%, and the Board wants to understand the depths of the problem. To help the Board, this team will read and summarize the actuarial evaluation report. Initial assessments suggest that \$200,000 is the

amount that needs to be funded and where would Rock Hill get that from the current budget?

- 2nd—determine long-term what the city will do and how will the city find the future revenues to fully fund pensions; examine how other Missouri cities fund pension systems
- 3rd— presentation to board; policy recommendation to board (20 minutes) professional and implementable and feasible plan

4. Body Cameras:

- 1st assignment—this team will determine how much the city would need to pay for the cameras and file storage. As part of their analysis, the team will examine the pros and cons of using body cameras and best practices for body cameras policy
- 2nd—where does the city get money from; is there an alternative product; is there a more cost-effective choice? What the costs over the next 5 years for all the alternatives?
- 3rd— presentation to board; policy recommendation to board (20 minutes) professional and implementable and feasible plan

5. New Facilities:

- 1st—this team will employ a retrospective strategy by going back to 2010 conditions in Rock Hill and asking where do we put the City's new municipal facilities? The team will come up with 3-5 alternative locations using criteria created by the City Administrator. The board will want to know why the locations were picked and how much will the building cost?
- 2nd—in projects of this nature, cities must borrow money to address the large costs of such endeavors. How would Rock Hill borrow the money? What are the steps that Rock Hill will have to take to borrow the money? How much of a tax increase will it be?
- 3rd— presentation to board; policy recommendation to board (20 minutes) professional and implementable and feasible plan

Textbooks:

Budgeting: Politics and Power, Second Edition by Carol Lewis and W. Bartley Hildreth, Oxford University Press; 2 edition (December 14, 2012).

Course Outline

Class grade breakdown:

10% –Attendance, engagement, and participation in the classroom.

45% – Rock Hill Assignment. This portion of the grade will be based on your perceptions and recommendations of focus group discussions at City Hall on November 16th and your research on the community ahead of time.

20% – Midterm Examination – Essay-type questions that will be completed and submitted on Blackboard.

25% – Final Examination –probably the same format as the midterm examination. The instructor have the discretion to decide whether or not there will be a final

examination. In the case that there is no final exam, students will be given at least two weeks advance notice and be informed as to the new grading breakdown.

Grading Scale:

<u>Letter Grade</u>	<u>Percentage</u>
A	93-100
A-	90-92
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D	60-69
F	<60

Class Schedule:

Each class will be comprised of approximately two and half hours of lecture which will include a discussion of that week's readings and periodically updates on the Rockhill assignment.

Reading assignments and topics:

Date	Reading Assignments:	Topics
Jan. 16	Syllabus	Introduction to course and fellow students
Jan. 23	Lewis & Hildreth (Introduction) Rock Hill Budget	Introduction to the Rock Hill Project. Jennifer Yackley, City Administrator, guest.
Jan. 30	Lewis & Hildreth (Ch.1)	What are the most significant budgeting issues facing the United States, the state government, and the St. Louis metropolitan coverage area?
Feb. 6	Lewis & Hildreth (Ch.2)	What is the role and responsibility of public budgets process?
Feb. 13	Rockhill Budget and other materials; Lewis & Hildreth (Ch.9)	How to read a local budget. How is a local budget different from the national budget?
Feb. 20	Lewis & Hildreth (Ch.3)	What tools do those that govern at the federal level have available to grow the economy? Recommend a fiscal policy for today's national economic situation.
Feb. 27	Lewis & Hildreth (Ch.4)	What drives the executive budget--the available tax revenues or the expense obligations made by those who govern?
March 6	Lewis & Hildreth (Ch.5)	Formulating a budget proposal is somewhat like trying to build a bridge while walking on it in the middle of a tornado. State budgets have to be balanced. Why not the federal budget? Mid-term

		exam due Friday, March 8, by 5 pm.
March 13	Spring Break	
March 20	Lewis & Hildreth (Ch.6)	What do governments get for their spending?
March 27	Lewis & Hildreth (Ch.7)	Why is cutting deficits politically popular and cutting programs not?
April 3	Lewis & Hildreth (Ch.8)	Why do governments go into debt? Is it worth it?
April 10	Lewis-Hildreth (Ch.10)	Why is budgeting important for democracy? What are the ends of public budget decision making?
April 17	No Readings	Presentations
April 24	No Readings	Presentations
May 8	Final Exam	Due by Friday May 10 at 5 p.m.

Course Administration:

Attendance Policy:

Your success in this course will depend on your ability to complete the daily reading and weekly writing and discussion assignments as well as the your ability to read the biography of Benjamin Franklin as if you were having a conversation with the author each day. Absence in three classes without a reason that is out of the control of the student will result in a one level drop in the final grade (i.e. illness, work conflict, medical emergency, etc.)

Courtesy Expectations:

Students will treat their classroom obligations as they would treat any serious professional engagement. That includes:

- 1) Preparing thoroughly for each session in accordance with the instructor's request;
- 2) Adhering to deadlines and timetables established by the instructor;
- 3) Providing constructive feedback to faculty members regarding their performance.

Honor Code

Students are expected to be honest in their academic work. The University reserves the right to penalize any student whose academic conduct at any time is, in its judgment, detrimental to the University. Such conduct shall include cases of plagiarism, collusion, cheating, giving or receiving or offering or soliciting information in examinations, or the use of previously prepared material in examinations or quizzes. Violations should be reported to me and will be investigated and adjudicated according to the Policy on Academic Honesty of the College of Arts and Sciences. If the charges are found to be true, the student may be liable for academic or disciplinary probation, suspension, or expulsion from the University. Please refer to the university policy at <http://www.slu.edu/x12657.xml>.

Expectations and Procedures

Technology

Put everything on mute. You do not need to use your laptop for this course. Please take notes the old fashion way. This will dissuade the trend of college students to browse the web, check e-mail, and frequent social networking sites during lecture. I will email all lecture powerpoints after the daily lecture.

Communication

I will post grades, send class e-mails, etc. through the SLU Banner system. Be sure that you can access the e-mail address listed. I will only send e-mail out to your SLU e-mail accounts listed on the course roster in Banner. I will not keep track of any other e-mail addresses you may use.

Disabilities

In recognition that people learn in a variety of ways and that learning is influenced by multiple factors

(e.g., prior experience, study skills, learning disability), resources to support student success are available on campus. Students who think they might benefit from these resources can find out more about:

_ Course-level support (e.g., faculty member, departmental resources, etc.) by asking your course instructor.

_ University-level support (e.g., tutoring/writing services, Disability Services) by going to www.slu.edu/success.

Students who believe that, due to a disability, they could benefit from academic accommodations are encouraged to contact Disability Services at the Student Success Center.

Confidentiality

will be observed in all inquiries. Course instructors support student accommodation requests when an approved letter from Disability Services has been received and when students discuss these accommodations with the instructor after receipt of the approved letter

University Writing Services: I encourage you to take advantage of University Writing Services; getting feedback benefits all writers! Trained writing consultants can help with any writing, multimedia project, or oral presentation. During one-on-one consultations, you can work on everything from brainstorming and developing ideas to crafting strong sentences and documenting sources. *These services do fill up*, so please make an appointment! Also, bring your assignment description, and a few goals, to the consultation! For more information, or to make an appointment, visit www.slu.edu/writingservices.xml or call 977-3484.