



# **PAPA 6314: PUBLIC BUDGETING PROCESSES**

**Professor Jason J. Fichtner**  
**Spring 2008**

## **GENERAL COURSE INFORMATION:**

Day and Time: Mondays, 6:30 pm – 9:15 p.m.  
Instructor's Phone: 202-358-6053  
Instructor's Email: [jjfichtner@cavtel.net](mailto:jjfichtner@cavtel.net) / [jfichtne@vt.edu](mailto:jfichtne@vt.edu)  
Office Hours: After class, or by appointment

This course focuses on financial and budget issues in the public sector. It is designed as an overview of several key elements in the areas of public budgeting, public finance, and financial management. This is a graduate level course designed to provide students with a fundamental understanding of the issues, processes and tools needed to make informed policy decisions on public budgeting issues. This course will cover several areas that will be useful to you in your professional life, regardless of whether or not your career focuses on public budgeting, including reading and preparing budget documents, participating in performance and financial audits, and conducting program design and evaluation. Budgeting affects many aspects of politics and public governance. This course will provide a foundation that is integral to understanding the role of budgeting in the political process and in public governance. Besides determining the allocation of scarce resources, budgeting is fundamentally about the determination and allocation of political preferences. A fundamental purpose of this course is to demonstrate how public budgeting, policy analysis and politics frequently interact.

One of the main objectives of this course is to provide students with a purposeful mix of practice and theory. Public Administration & Policy students have to keep one foot in the world of practice and the other in the world of academic theory. You must become “pracademics.” Hence, class readings and discussions will revolve around concepts, tools and skills of public budgeting. Guest speakers will occasionally visit the class to provide a practitioner’s viewpoint on how things work “in the real world.”

Throughout the course we will pay considerable attention to democratic accountability. How do we hold agencies and programs accountable? Which techniques seem most promising? What ethical considerations, if any, need to be taken into account? Does accountability collide with other values, such as efficiency and effectiveness? Is it possible or useful to shift from accountability through fair procedures to accountability through good results? Regardless of whether your career is in the public sector or private sector, or whether or not you will ever work as a budgeter, answering these questions will help you become more effective policy analysts and better informed citizens.

## EXPECTATIONS

- You are expected to act with the highest professional ethics and skill.
- You are expected to complete all of the readings in advance of each class, and to be prepared to discuss them as well as your own experiences and insights regarding public budgeting.
- You are expected to adhere to the Virginia Tech Honor Code. For all written course assignments please provide citations for all outside sources for the ideas in your assignments. Copying, cheating or plagiarism will not be tolerated.
- Students are expected to attend all class meetings and participate in class discussions. If you have an important reason to miss a class or delay an assignment, and you let me know in advance, I will work to accommodate your situation. Important reasons involve major unexpected family or personal challenges and events (e.g. death in the family, severe illness, etc.).
- Even if you miss class, journal entries and assignments are still due on time.
- Late assignments will be marked down at least 1/3<sup>rd</sup> of a letter grade.
- I have an open-door policy. Please do not hesitate to see me if you have any questions, concerns, comments, etc.

## READINGS

The following textbooks will be used in the class:

Robert D. Lee, Jr., Ronald W. Johnson & Philip G. Joyce, *Public Budgeting Systems, 8<sup>th</sup> Edition*, (Sudbury, MA: Jones and Bartlett, 2008). [Amazon \$88]

Irene S. Rubin, *The Politics of Public Budgeting, 5<sup>th</sup> Edition*, (Washington, DC: CQ Press, 2006). [Amazon \$43]

Allen Schick, *The Federal Budget: Politics, Policy, Process, 3<sup>rd</sup> Edition* (Washington, DC: Brookings Institution Press, 2007). [Amazon \$23]

Aaron Wildavsky & Naomi Caiden, *The New Politics of the Budgetary Process, 5th Edition*, (New York: Pearson Longman, 2004). [Amazon \$72]

### OPTIONAL:

David N. Ammons, *Tools for Decision Making: A Practical Guide for Local Government*, (Washington, DC: CQ Press, 2002). [Amazon \$30] -- Buy it if you think you can use it as a desk reference.

The texts are available on-line from stores such as Amazon.com, Borders.com or Barnesandnoble.com. Make sure to shop around for the best price. I reserve to right to hand out additional readings to supplement the core texts.

## ASSIGNMENTS

### **Journal on Course Readings – Due by 8:00 pm Sunday before Class**

You will keep an on-going journal of your reflections of the readings. Come to class with 1 to 2 typed pages (single-spaced in Memorandum style) discussing your thoughts on the reading, including general themes, disagreements, and any insights you glean from the reading that can be applied to current public budgeting events. I'm not looking for an outline of the reading. These reflections will not be graded per se, but they will count towards your participation grade. **Journal entries are to be e-mailed to the professor by 8:00 pm the Sunday before class.**

### **Issue of the Day**

Please read the major newspapers and come to class ready to bring up interesting and relevant topics. Every day in the newspapers, particularly in the national and metro sections, there are lots of stories that pertain to public budgeting. You are also encouraged to read the op-ed pages, as they often touch upon public budgeting issues. At the beginning of each class, I will solicit topics from the class and we will hold a brief (20 minutes) discussion session. This will be considered part of your overall class participation grade.

### **Papers**

Along with Participation, your course grade will be based on your performance in the following assignments:

#### ***Paper #1 - Budget Policy Brief.***

Policy professionals must often write policy briefs on a numerous topics for a variety of audiences – agency executives, congressional committees, association/interest groups, the general public, etc. The objective of this assignment is to review the President's Budget and, choosing one Agency, summarize the Administration's key objectives and initiatives in a 2-3 page single-spaced policy brief. Also note whether the President's Budget proposes funding increases or reductions to current programs. The President's Budget is submitted to Congress on Monday, February 4 and the **policy brief is due on February 11**. This assignment will be graded according to the quality of your written work and your ability to effectively analyze and summarize the key objectives of the President's Budget.

#### ***Paper #2 – Review and Analysis.***

This assignment is to write a brief analytical paper on a topic dealing with the public budgeting literature covered in the first phase of the semester. I will distribute the paper assignments on **February 11**. The paper should be about 5-7 pages single-spaced and is due **February 25**.

#### ***Paper #3 – Issue Memorandum.***

The third paper will be an analysis of a current, ongoing issue in public budgeting. This paper will be in the form of an issue memorandum to a senior decision-maker and should be about 7-10 pages single-spaced. The topics should focus on contemporary issues unfolding in the world of public budgeting. You will need to select a topic by **March 10** and your memorandum will be due on **March 31**.

### ***Group Presentation***

There is no final exam for the course. However, a group PowerPoint presentation dealing with the course material and concepts is required. The group presentation assignment will be handed out during

the **April 7** class. Teams will consist of 3 – 4 people. Students will select their own teams. Presentations will be due and given in class on the last scheduled class day, **April 28**.

**Note:** All assignments need to be handed in during class, as well as delivered via e-mail to [jjfichtner@cavtel.net](mailto:jjfichtner@cavtel.net). Journal entries need to be e-mailed to me by 8:00 pm the Sunday night before class.

## **GRADES**

Grades will be based on a variety of individual contributions, described below:

Paper #1 (2-3 pages)	20 percent
Paper #2 (5-7 pages)	20 percent
Paper #3 (7-10 pages)	25 percent
Group PowerPoint Team Presentation	15 percent
Participation (attendance, in-class & journal)	20 percent

Grades will be assigned according to the following scale:

94-100	= A
90-93.9	= A-
87-89.9	= B+
83-86.9	= B
80-82.9	= B-
77-79.9	= C+
70-76.9	= C
< 70.0	= F

I do not grade on a Bell Curve – All students are expected to perform at B level or above.

## **Summary of Course Assignments, Activities and Due Dates:**

<b><u>Item</u></b>	<b><u>Date</u></b>
Budget Policy Brief Due	February 11 <sup>th</sup>
Handout Questions for Paper #2 – Review & Analysis	February 11 <sup>th</sup>
Paper #2 – Review & Analysis Due	February 25 <sup>th</sup>
Topics Due for Paper #3 – Issue Memorandum	March 10 <sup>th</sup>
Paper #3 – Issue Memorandum Due	March 31 <sup>st</sup>
Handout Final Exam & Select Groups	April 7 <sup>th</sup>
Group Presentations	April 28 <sup>th</sup>
Guest Speakers:	
Donald Marron	February 18 <sup>th</sup>
Dan Miller	February 25 <sup>th</sup>
Steve Gill & Karen Lynch	March 24 <sup>th</sup>

## **Course Schedule, Topics, Readings, and Activities**

Note: Students are expected to complete the readings and journal assignment prior to class and come prepared to discuss.

January 14	CLASS INTRODUCTION & OVERVIEW <b><u>Activity: Instructor &amp; Student Introductions / Discussion of Class Norms</u></b>
January 21	NO CLASS – MLK HOLIDAY
January 28	OVERVIEW & HISTORICAL CONTEXT OF PUBLIC BUDGETING Read: The Constitution of the United States. Available at: <a href="http://www.archives.gov/national-archives-experience/charters/constitution.html">http://www.archives.gov/national-archives-experience/charters/constitution.html</a> Key, “The Lack of a Budgetary Theory” (to be handed out by Instructor); Lee (Chapters 1 – 3); Rubin (Chapter 1); Schick (Chapters 1 & 2); Wildavsky (Preface, Chapters 1 & 2).
February 4	FEDERAL BUDGET PROCESS Read: Carney & Schoenfield, “How to Read a Budget” (to be handed out by Instructor); Schick (Chapters 3 – 6); Wildavsky (Chapter 3).
February 11	FEDERAL BUDGET PROCESS, CONTINUED Read: Lee (Chapter 9); Rubin (Chapter 3); Schick (Chapters 8 & 9). <b><u>Activity: Paper #1 – Budget Policy Brief Due</u></b> <b><u>Activity: Handout Questions for Paper #2</u></b>
February 18	FEDERAL BUDGETING – FROM CONSENSUS TO DISSENSUS Read: Wildavsky (Chapters 4 & 5). <i>Guest Speaker: Donald Marron, Nominee to the President’s Council of Economic Advisers &amp; Former Deputy Director, Congressional Budget Office</i>
February 25	FEDERAL BUDGETING – POLITICS & PROCESS Read: Wildavsky (Chapters 6 & 10). <b><u>Activity: Paper #2 – Review &amp; Analysis Due</u></b> <i>Guest Speaker: Former Congressman Dan Miller (R-FL)</i>
March 3	NO CLASS – SPRING BREAK
March 10	BUDGETING REVENUE / TAXES Read: Lee (Chapters 4 & 5); Rubin (Chapter 2); Schick (Chapter 7). <b><u>Activity: Topics for Paper #3 Due</u></b>
March 17	BUDGETING EXPENDITURES Read: Lee (Chapter 6); Rubin (Chapter 5)

- March 24                    AGENCY BUDGETING  
 What do Agency Budget Analysts Do? Read: Bardach, “Report from the Trenches: The Life of the Apprentice Budget Analyst” (to be handed out by Instructor).  
*Guest Speakers: Steve Gill, U.S. Department of Justice & Karen Lynch, U.S. Department of Health & Human Services*
- March 31                    STATE & LOCAL BUDGETING  
 Read: Lee (Chapters 7 & 8); Saunders & Tyer, “Local Government Financial and Budgetary Analysis” (to be handed out by Instructor).  
**Activity: Paper #3 – Issue Memorandum Due**
- April 7                      BUDGET EXECUTION & FINANCIAL MANAGEMENT  
 Read: Lee (Chapters 10 & 11)  
**Activity: Handout Group Presentation Assignment & Select Groups**
- April 14                    INTERGOVERNMENTAL ROLES & RELATIONSHIPS  
 Read: Lee (Chapter 14); Straussman, “Courts and the Public Purse Strings” (to be handed out by Instructor).
- April 21                    PERFORMANCE MEASURES & THE BUDGET  
 Read: Joyce, “Linking Performance and Budgeting: Opportunities in the Federal Budget Process;” Gilmour, “Implementing OMB’s Program Assessment Rating Tool (PART);” Walker/GAO Testimony, “How Performance Budgeting Can Help.” (all to be handed out by Instructor).
- April 28                    GROUP PRESENTATIONS, SUMMARY & CONCLUSIONS  
**Activity: Group Presentations Due**  
**Activity: Course Evaluation**  
**Activity: End of Course Celebration**