# PUB 518 – 01: Budgeting and Finance in the Public Sector

College of Arts & Sciences

Department of Political Science

Fall 2018 / 3 Credits

University of Michigan - Flint

## 1. Instructor:

Daniel Hummel

Email: dhummel@umflint.edu

David M. French Hall: Room 220V

Office #: 810-237-6560

University of Michigan - Flint

Office Hours: Tuesday, 4:30PM – 6:30PM or by appointment

## 2. Course Dates and Location:

Dates: September 4th – December 10th

Days: Tuesday

Time: 7PM – 9:45PM

Building: French Hall

Room: 212

## 3. Required Textbook:

## Mikesell, J. L. (2018). *Fiscal administration* (10th ed.). Boston, MA: Cengage Learning. (ISBN: 978-1-305-95368-0)

## 4. Course Description:

## Governmental budgeting has similarities and differences with private budgeting. At the most basic level the goal is balancing between expenditures and revenues. In a way the government strives to budget-maximize like the corporation strives to profit-maximize. The difference is that government, by its nature, serves the population without any direct return. It provides public goods which the market is unable to do without excluding some of the population. This course explores the dynamics of the budget process in government as well as detailed issues in budgeting. The first half of the course covers general issues in budgeting while the second half of the course focuses on specific main revenues for government. The main objective of this course is to provide the class with a thorough analysis of budgeting terms, methods and problems.

## 5. Course Format & Assignments:

You will be expected to do the readings for each week, participate in class discussions / activities and submit the assignments on time. This course has an online function available on Blackboard. Any additional readings will be placed there as well as all assignments will be submitted there. Keep in mind that all written assignments are checked for plagiarism with SafeAssign. There is one required textbook. See information above for required textbook. Please see details below on communicating with the professor. Please refer to the grading percentages below and the grading scale. Please feel free to ask any questions at any time related to the course.

### 5.1 Communication with the Professor -

I will respond within 24 hours of receiving the email for those emails that merit a response. Note: Not all emails will get a response from me. If you do not get a response by this time, please email me again as emails get lost, etc. Please allow a longer timeframe for holidays and weekends. I will be available during my office hours for both of us to talk. I can also be available outside of this time, but please arrange this with me on a case by case basis. Please be respectful in your communication with me. Discourteous communication with me will warrant no response from me. My university email is: dhummel@umflint.edu. I also use my personal email frequently: hummelresearch@gmail.com.

### 5.2 Grading/Evaluation –

|  |  |
| --- | --- |
| Homework | **30%** |
| Mid-term | **30%** |
| Final Exam | **40%** |
| **Total Percent** | **100%** |

#### 5.2.1 Grading scale –

 101+ = A+ 87-89 =B+ 77-79 =C+ 0-69 =E

 93-100 =A 83-86 =B 73-76 =C

 90-92 =A- 80-82 =B- 70-72 =C-

### 5.3 Learning Goals:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Learning Goal** | **Fink’s Categorization** | **Bloom’s** **Categorization** | **NASPAA’s Competency** | **Assessments** | **Learning Activities** | **Rationale** |
| Be able to organize governmental accounting information according to the modified accrual method.  | Application | Application | Manage in public governance | Homework 1 | Module 9.2 | This is the accounting method used by states and local governments. Understanding how it is organized is important for interpretation. |
| Calculate financial condition, breaking even totals, time value of money and property taxes. | Application | Analysis | Analyze, synthesize, think critically, solve problems and make decisions | Homework 2, 3, 4 & 6 | Modules 9.3 – 9.5 & 9.10 | Building analytical skills for budgeting and finance is important for informed decision-making in government. |
| Recall and explain analytical and accounting techniques used in governmental budgeting and finance. | Foundational knowledge | Knowledge & Comprehension |  | Mid-term Exam | Modules 9.1 – 9.6 | It is important to recall information learned in the class until this point. |
| Identify and explain different major revenue sources used by government. | Foundational knowledge | Comprehension |  | Homework 5Final Exam | Modules 9.8 – 9.11 | It is important to recall information learned in the class until this point. |
| Identify and explain revenue forecasting and intergovernmental finance | Foundational knowledge | Comprehension |  | Final Exam | Modules 9.12 – 9.13 | It is important to recall information learned in the class until this point. |

## 6. Institutional Resources:

* Blackboard Learning Management Suite
	+ To access Blackboard, students must go to the University of Michigan - Flint website (<https://my.umflint.edu/>) and then click on Blackboard. Your student login ID and password will be needed to enter the site. Once you are logged in you will need to click on the course identifier. This will give you access to the course in Blackboard. If you have problems enrolling, call the ITS Helpdesk at 810-766-6804.
* The Marian E. Wright Writing Center can help with writing assignments as well as other services. They can be reached at 810-766-6602
* The Frances Willson Thompson Library has access to journal databases, Interlibrary Loan, copier and printer services and various collections.

* + <https://www.umflint.edu/library/thompson-library>

## 7. Prerequisite Knowledge and/or Competencies:

There are no prerequisites for this course.

## 8. Course or Institutional Policies:

### 8.1 Attendance –

Attendance and participation are mandatory for this class. Regular attendance at class is expected of all students. Irregularities in attendance should be promptly explained by the student to the instructor. Non-attendance does not constitute a drop or withdrawal, however, in accordance with the Department of Education, students who do not regularly attend in the first two weeks of the semester, must be dropped at the request of the instructor.

### 8.2 Policy on late work and make-up exam –

No late work accepted. 0 points will be given. If you are unable to complete an assignment on time, please contact me with reasons before the due date so that accommodations can be made.

### 8.3 Students with Disabilities –

DISABILITY AND ACCESSABILITY SUPPORT SERVICES (DASS): <https://www.umflint.edu/disabilitysupportservices>

Accommodations: The University of Michigan–Flint strives to make learning experiences as accessible as possible and complies with Section 504 of the Rehabilitation Act of 1973 and the American with Disabilities Act. The university provides individuals with disabilities reasonable accommodations to participate in educational programs, activities, and services. Students with disabilities requiring accommodations to participate in class activities or meet course requirements should self-identify with Disability and Accessibility Support Services as early as possible at (810)762-3081 or accessibility@umflint.edu. The office is located in 285C University Pavilion, inside the Student Success Center. Students are expected to discuss course accommodations with their professors as early as possible.

### 8.4 Academic Integrity –

Please see the University of Michigan Faculty Handbook, Section 8.D.2.

### 8.5 Disruptive Students –

Please see the University of Michigan Faculty Handbook, Section 8.D.7

### 8.6 Grading –

Grades for assignments will be posted via Blackboard within 1 week following the assignment due date. The assignment of final grades will follow the 2017 – 2018 UM – Flint Catalog for Graduate Study and the University of Michigan Faculty Handbook, Section 8.D.10.

### 8.7 Writing –

If a student’s work is seriously deficient in standard written English I will refer the case to the Director of the Writing Center. The student may be given additional work in composition with or without credit. Instructors may refuse credit or give a reduced grade for written work which does not demonstrate accurate, effective use of standard English.

## 9. Course Schedule:

### 9.1 Introduction: (Week 1: Tuesday (September 4th))

**Subject:** Go over syllabus and any questions.

**Readings for This Week:** Mikesell, Chapter 2

**Readings for Next Week:** Finkler et al., Chapter 12

**Homework Due:** None

### 9.2 Government Accounting: (Week 2: Tuesday (September 11th))

**Subject:** The Budget Cycle; Modified Accrual Accounting

**Readings for This Week:** Finkler et al., Chapter 12

**Readings for Next Week:** Mikesell, Chapter 5; Wang, Dennis & Tu (2007)

**Homework Due:** Homework 1: Problems 12-6, 12-7, 12-8, & 12-9 – Due September 17th (end of day)

### 9.3 Financial Condition Analysis: (Week 3: Tuesday (September 18th))

**Subject:** CAFR; Fiscal Health; Financial Condition

**Readings for This Week:** Mikesell, Chapter 5; Wang, Dennis & Tu (2007)

**Readings for Next Week:** Mikesell, Chapter 3; Finkler et al, Chapter 4

**Homework Due:** Homework 2: Financial Condition Analysis for three cities – Due September 24th (end of day)

### 9.4 Cost Analysis: (Week 4: Tuesday (September 25th))

**Subject:** Break-Even Analysis; Flexible Budgets; Variances

**Readings for This Week:** Mikesell, Chapter 3; Finkler et al, Chapter 4

**Readings for Next Week:** Mikesell, Chapter 7

**Homework Due:** Homework 3: Problems 4-15, 4-19, 4-29, 4-30 & 4-41 – Due October 1st (end of day)

### 9.5 Capital Budgeting: (Week 5: Tuesday (October 2nd))

**Subject:** Capital Budgeting; Time Value of Money; Cost-Benefit Analysis

**Readings for This Week:** Mikesell, Chapter 7

**Readings for Next Week:** None

**Homework Due:** Homework 4: Problems 4 – 5 (p 350) – Due October 8th (end of day)

### 9.6 Review and Practice: (Week 6: Tuesday (October 9th)) - ONLINE

**Subject:** Review and Practice Modified Accrual Accounting; Financial Condition Concepts; Cost Analysis; Time Value of Money

**Readings for This Week:** None

**Readings for Next Week:** None

**Homework Due:** None

### 9.7 Fall Study Break & Mid-Term: (Week 7: Tuesday (October 16th))

**Subject:** Fall Study Break; Mid-Term (Wednesday, October 17th – Sunday, October 21st)

**Readings for This Week:** None

**Readings for Next Week:** Mikesell, Chapter 9

**Homework Due:** None

### 9.8 Income Taxes: (Week 8: Tuesday (October 23rd))

**Subject:** Individual Income Taxes; Corporate Income Taxes; State and Local Income Taxes

**Readings for This Week:** Mikesell, Chapter 9

**Readings for Next Week:** Mikesell, Chapter 10

**Homework Due:** None

### 9.9 Sales Taxes: (Week 9: Tuesday (October 30th))

**Subject:** Retail Sales Taxes v. Value Added Taxes

**Readings for This Week:** Mikesell, Chapter 10

**Readings for Next Week:** Mikesell, Chapter 11

**Homework Due:** Homework 5: Case Study 10-3 (pp. 515 – 517) – Due November 5th (end of day)

### 9.10 Property Taxes: (Week 10: Tuesday (November 6th))

**Subject:** Calculation of Property Taxes

**Readings for This Week:** Mikesell, Chapter 11

**Readings for Next Week:** Mikesell, Chapter 12

**Homework Due:** Homework 6: Problem #3 (pp. 563 – 564) – Due November 12th (end of day)

### 9.11 User Fees & Charges: (Week 11: Tuesday (November 13th))

**Subject:** Uses Fees; User Charges

**Readings for This Week:** Mikesell, Chapter 12

**Readings for Next Week:** Mikesell, Chapter 13

**Homework Due:** None

### 9.12 Revenue Forecasts: (Week 12: Tuesday (November 20th))

**Subject:** Forecasting Methods

**Readings for This Week:** Mikesell, Chapter 13

**Readings for Next Week:** Mikesell, Chapter 14

**Optional Homework Due:** Extra Credit: Problem # 1 (p. 634) – Due November 26th (end of day)

### 9.13 Intergovernmental Fiscal Relations: (Week 13: Tuesday (November 27th))

**Subject:** Intergovernmental Grants; Mandates; Fiscal Disparity

**Readings for This Week:** Mikesell, Chapter 14

**Readings for Next Week:** None

**Homework Due:** None

### 9.14 Review for Final Exam: (Week 14: Tuesday (December 4th))

**Subject:** Review of All Material From Modules 9.8 – 9.13

**Readings for This Week:** None

**Readings for Next Week:** None

**Homework Due:** None

### 9.15 Final Exam: (Week 15: Wednesday – Saturday (December 12th – 15th))

**Subject:** Final Exam

**HAVE A GREAT WINTER BREAK**