Course Learning Objectives

Funding for public programs is inseparable from the operation of those programs, and consequently all public managers find themselves needing knowledge and skills in the principles of public finance and budgeting. Whether you are an official who is immersed in public budgeting on a day to day basis, or you are one who must make policy based on the relationship between dollars and program goals and objectives, an understanding of these concepts is vital to both your personal success and the success of your organization.

This course will survey three broad areas of finance and budgeting in the public sector: tax policy and revenue analysis; governmental budgeting; and financial management. At the conclusion of the course, students should:

- have a “generalist’s” familiarity with each of these three key areas of governmental and non-profit finance;
- be familiar with a variety of analytical techniques appropriate for the analysis of revenue, spending, and debt issuance;
- have a greater capacity to conduct analyses using Microsoft Excel or some similar spreadsheet package;
- have a greater capacity to read quickly, analyze issues critically, and communicate effectively.

Required Text


In addition, a number of readings will be posted on Canvas.
Course Requirements

There will be five components used in determining your final grade for the course. Each student will be required to complete three brief assignments, requiring application of analytical techniques. Two written (spreadsheet-based) assignments will be required; these assignments will each require the completion of a two-page memorandum. A quiz will be given in the first half of the course. A final examination will be given during the final examination period; it will cover material presented after the quiz. Specific instructions for the written assignments will be passed out at least two weeks in advance of the due dates. The course requirements will be weighted as follows:

- Quiz: 15%
- Brief Assignments (5% each): 15%
- Maryland Budget Projections Memo: 20%
- NGO Budget Memo: 20%
- Final Examination: 30%

The quiz and final examination will be closed book (and closed notes). No late assignments will be accepted without prior permission of the instructor (an assignment not turned in on time will result in a failing grade for that assignment). Even in cases where late assignments have been permitted in advance, they will be marked down, at the rate of one-half letter grade for each week or portion thereof that the assignment is late. The final exam must be taken during the final exam period; no make up exam will be given without some documentation of dire emergency or prior permission of the instructor.

While class participation will not formally be included in determining the 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.

A brief word on academic integrity: Please note the university policy on academic honesty.

“The University of Maryland, College Park has a nationally recognized Code of Academic Integrity, administered by the Student Honor Council. This Code sets standards for academic integrity at Maryland for all undergraduate and graduate students. As a student you are responsible for upholding these standards for this course. It is very important for you to be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. For more information on the Code of Academic Integrity or the Student Honor Council, please visit http://www.shc.umd.edu.”

If you have any questions about what constitutes proper citation vs. plagiarism, please go to: http://www.lib.umd.edu/rc/citation-tools
### Class Schedule at a Glance

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<th>Assignments/Exams</th>
<th>Discussion Sections</th>
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<td>Income and Property Taxes</td>
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<td>Budget Approval - The U.S. Congress</td>
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<td>Budget Execution – Budgetary Institutions</td>
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<td>Debt Management</td>
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<td>Fiscal Federalism – Course Wrap-up and Review</td>
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<td>TBA</td>
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<td>TBA</td>
<td>Final Examination Week of May 12 – 18</td>
<td>Final Exam</td>
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### Course Outline and Reading List

The following outline lists the topics and reading assignments by course session. Reading assignments include the text (Lee, Johnson and Joyce), or readings that are available on Canvas (designated with a C below).

I. Introduction

   (1) February 1 – Course Overview and Budget Exercise

   - Lee, Johnson, and Joyce, Chapter 1
II. Financing Government/Revenue Sources

(3) February 15 – Revenue Evaluation Criteria

- Lee, Johnson and Joyce, Chapter 5 (pp. 133-139), Chapter 11 (pp.354-358).

(4) February 22 – Income and Property Taxes

- Lee, Johnson and Joyce, Chapter 5 (pp. 139-164).

* Assignment 1 – Calculating Effective Tax Rates – Due

(5) February 29 – Sales Taxes, User Fees, and Gambling Revenues - Taxes as Social Policy - The Budget Cycle

- Lee, Johnson and Joyce, Chapters 4 and 6.

* Assignment 2 – Calculating the Income Tax – Due

III. Public Budgeting

(6) March 7 – Budgeting – Budget Preparation – Performance Budgeting

- Lee, Johnson and Joyce, Chapter 7.

* Quiz

(7) March 14 – Spring Break – No Class
(8) March 21 – Budget Preparation – Cost Analysis
- Lee, Johnson, and Joyce, Chapter 8.
  * Maryland State Budget Projections Analysis and Memo – Due

(9) March 28 – Budget Approval – State/Local Experience
- Lee, Johnson and Joyce, Chapter 9

(10) April 4 – Budget Approval – The U.S. Congress
- Lee, Johnson and Joyce, Chapter 10.

(11) April 11 – Budget Execution – Budgetary Institutions
- Lee, Johnson and Joyce, Chapter 11 (pp. 341-354, 368-395)
  * NGO Analysis and Memo – Due

IV. Public Financial Management

(12) April 18 – Accounting and Financial Reporting
- Lee, Johnson and Joyce, Chapter 12

(13) April 25 – Capital Budgeting and Cost – Benefit Analysis
- Lee, Johnson and Joyce, Chapter 13

(14) May 2 – Debt Management, Cash Management
- Lee, Johnson, and Joyce, Chapter 14, Chapter 11 (pp. 359-368).
  * Assignment 3 – Cost Benefit Analysis of Capital Project – Due
(15) May 9 – Fiscal Federalism, Course Wrap-up
   • Lee, Johnson, and Joyce, Chapter 15.

(16) TBA – Final Exam Review

(17) May 12 – 18 (To Be Announced) – Final Examination