

UNIVERSITY OF NORTH TEXAS
Department of Public Administration
Fall 2024

PADM 5400: Managing Financial Resources

Class hours: Tuesday 6:00 – 8:50 pm
At Chilton Hall 274
Office hours: T 5:00 – 5:45 or by appt.
At Chilton Hall 204K

Instructor: Dr. Laiyang Ke
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TA: Mai Elbahrawy
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COURSE DESCRIPTION

The purpose of this course is to familiarize participants with the theory and practice of budgeting at all levels of government and nonprofit organizations. However, particular emphasis is given to budgeting in local government. The course is designed to equip participants with competence in the use of budgeting terminology, the alternative approaches to budget preparation, the linkage of the budget with other aspects of financial management, the federal budget process, and the economic repercussions of the federal budget.

By the end of the semester, students are expected to:

1. Demonstrate an understanding of the role of managing financial resources within public organizations.
2. Understand evolution of best practices in public financial management.
3. Identify participants and their roles in public financial management practices in public organizations.
4. Design budget processes and documents to meet the changing needs of public organizations.
5. Analyze and forecast the financial resources and requirements of public organizations.

COURSE REQUIREMENTS

Participants are responsible for completing the following:

1. **Reading assignments.** One book is required for purchase (it is also used in PADM 5420):
 - (ICMA) Robert L. Bland and Michael R. Overton, *A Budgeting Guide for Local Government*. 4th edition. Washington, D.C.: International City/County Management Association, 2019.
 - (LILP) Lincoln Institute of Land Policy. “Foundations of Local Government Finance in the United States.” Online course. Self-paced. (2023). Register at <https://www.lincolninst.edu/courses-events/courses/foundations-local-government-finance-in-united-states>.
 - (Readings) Additional required readings are posted on Canvas.

2. **Management briefs (MBs).** Five management briefs will be assigned during the semester that involve examining in greater depth the budget and management issues discussed in class. Briefs should not exceed five (5) pages double spaced with 12-point font plus a page for references. Briefs may include graphs (bar charts, trend lines, pie charts, or similar types of diagrams) that illustrate the topic of that management brief. Briefs will be primarily evaluated on how well they integrate class material (lectures and readings) into the analysis of the topic.
Each class member will select a city to use when completing the management briefs. The city's website will have at a minimum, links to its operating budget, the capital budget, and the annual financial report (i.e. ACFR, which contains a detailed discussion of the budget process in the Notes section).
Please go to the course's Canvas page to read the detailed MB requirements.
3. **Excel exercises.** Four excel exercises are interspersed throughout the course and are designed to strengthen use of the software. The exercises get progressively more challenging and provide hands-on learning of a basic tool in budgeting.
4. **Midterm and final exams.** The midterm and final exams are essay type taken on a UNT laptop during class using LockDown. The midterm covers the first half of the semester, the final covers the second half of the semester. They are closed book and closed notes. A review guide is distributed at least one week before each exam. The exams use the same format: Part I contains multiple choice questions, Part II is short answer, and Part III is an essay usually no more than two pages in length.
5. **Weights for final grade.**

Midterm exam	25%
Final exam	25%
Management briefs (8% each)	40%
Excel exercises	10%

CLASS PROCEEDINGS

1. Regular class attendance is expected. If you must be absent, please let me know.
2. Class begins at 6:00 pm. We will take a 10-minute break around 7:30 and adjourn at 8:50 pm. The first half of a class will be lecture from the instructor. Depending on the modules, the second half might be discussions, debates, or Excel exercises.
3. An outline of class topics will be emailed to your preferred address on Tuesday morning before class. These are for your reference or note taking on a laptop during class.
4. Please upload assignments by the deadline to Canvas. Late assignments are subject to a grade penalty unless late submission was pre-approved at least two days (usually it's the Friday) before the deadline.

CLASSROOM CONDUCT

Students should conduct themselves with professional courtesy, which includes (but is not limited to) the following:

- Respect for fellow students and the instructor; do not carry on side conversations.
- Promptness; please do not be tardy to class.

- Please do not bring any food into the classroom; you may bring drinks.
- Do not access cell phones during class except for an emergency.
- Please do not leave the classroom once class has started. If a break is needed, please ask and we will take a break. Normally, breaks are taken at 7:30 pm.

STATEMENT ON INCLUSION AND DIVERSITY

The Department of Public Administration believes in the fundamental principles of life, liberty, equality, equity, and in doing good to all people as we serve students and the public interest.

- We believe in the importance of diversity and inclusion.
- We believe in fairness and equity for all faculty and students in and out of class.
- We believe in mutual respect and civility for all students and faculty.
- We believe that faculty and students have a right to redress grievances.
- We believe that students and faculty should be actively engaged in good works.

COURSE CALENDAR

August. 18

INTRODUCTION TO LOCAL FINANCE

Required Readings:

1. ICMA, Chapters 1
2. LILP, Modules 1
3. TEXAS MUNICIPAL LEAGUE (2024). *Handbook for Mayors and Councilmembers*. Chapter Six: Financial Administration.
4. TEXAS MUNICIPAL LEAGUE (2023). *Revenue Manual for Texas Cities*.
5. Ronald C. Fisher (2022). *State and Local Public Finance (5th ed.)*. Chapter One: Why study state and local government finance.

August. 25

ESSENTIAL BUDGETING THEORIES

Required Readings:

1. ICMA, Chapters 7.
2. LILP, Modules 2.
3. Robert L. Bland, Michael Overton, and Valencia Prentice (2023). Chapter 7, *The Road to Entrepreneurial Budgeting and Beyond: A Reconceptualization of the Development of Budget Innovations in the United States*. In *Research Handbook in Public Financial Management*, edited by Komla Dzigbede and W. B. Hildreth. Edward Elgar Publishing Limited.
4. Texas House Research Organization, "Writing the State Budget," No. 88-2, September 25, 2023.
5. Texas Senate Research Office, "A Guide to the Budget Process in Texas," January 2023.
6. NASBO, *Budget Processes in the States*, Spring 2021.
7. Gerald J. Miller (2012). *Government Budgeting and Financial Management in Practice*. Chapter Two: History of Government Budgeting and Finance Reforms.

Sept. 1

BUDGET CYCLE: PREPARATION

Required Readings:

1. ICMA, Chapter 8 (pp. 175–192).
2. Williams, Daniel, and Shayne Kavanagh. (2016). Local Government Revenue Forecasting Methods: Competition and Comparison. *Journal of Public Budgeting, Accounting, and Financial Management*, 28(4).
3. GFOA. (2014). Financial Forecasting in the Budget Preparation Process.
4. Charles E. Lindblom. (Spring 1959). “The Science of ‘Muddling Through,’” *Public Administration Review* 19.
5. Lucy Dadayan. (2024). *Beyond the Crystal Ball: State Revenue Forecasts Before, During, and After the COVID-19 Pandemic*, Urban Institute.

Due Sept. 7, 6:00 PM: Excel exercises #1 and #2 due (ICMA, p. 212). Instructions and data available on Canvas.

Sept. 8

BUDGET CYCLE: LEGISLATIVE APPROVAL**Required Readings:**

1. ICMA, Chapter 8 (pp. 192–212).
2. The Volcker Alliance. (2015). *Truth and Integrity in State Budgeting*.
3. Rubin, Iren S. (2020). The Politics of Process. In *The Politics of Public Budgeting*. pp. 81-108.
4. Berner, Maureen, and Sonya Smith. (2004). The State of the States: A Review of State Requirements for Citizen Participation in the Local Government Budget Process. *State and Local Government Review*. 36(2).
5. Victoria Gordon. (2014). *Participatory Budgeting: Ten Actions to Engage Citizens via Social Media*, IBM Center for the Business of Government.

Due Sept. 14, 6:00 PM: Management Brief #1. Upload your file to the Assignment page on Canvas.

Sept. 15

BUDGET CYCLE: BUDGET IMPLEMENTATION**Required Readings:**

1. ICMA, Chapter 9.
2. GFOA. (2015). *Fund Balance Guidelines for the General Fund*.
3. GFOA. (2023). *Should We Rethink Reserves?*.
4. GFOA. (2022). *Budget Control*.

Due Sept. 21, 6:00 PM: Excel exercise #3 due (ICMA, p. 232). Instructions and data available on Canvas.

Sept. 22

BUDGET CYCLE: ACCOUNTING AND AUDITING

Required Readings:

1. ICMA, Chapter 10.
2. Bland, “Why Budget Analysts Need Accounting,” August 2024.
3. Reck et al. (2022). Chapter 2: “Principles of Accounting and Financial Reporting for State and Local Governments” In *Accounting for Governmental and Nonprofit Entities* (9th ed.).
4. Reck et al. (2022). Chapter 3: “Governmental Operating Statement Accounts” In *Accounting for Governmental and Nonprofit Entities* (9th ed.).
5. Reck et al. (2022). Chapter 9: “Financial Reporting of State and Local Government” In *Accounting for Governmental and Nonprofit Entities* (9th ed.). pp. 378-392.

Non-mandatory Readings:

1. Reck et al. (2022). Chapter 11: “Auditing of Government and Non-for-profit Organizations” In *Accounting for Governmental and Nonprofit Entities* (9th ed.).

Due Sept. 28, 6:00 PM: Excel exercise #4 due (ICMA, p. 253). Instructions and data available on Canvas.

Sept. 29

COST ACCOUNTING

Required Readings:

1. Duncombe, William. (2018). Chapter 3: “The Use of Cost Accounting to Improve Budgeting” In *Lecture Notes in Public Budgeting and Financial Management*. pp. 75-118.
2. Duncombe, William. (2018). Chapter 4: “Getting Control of Your Budget” In *Lecture Notes in Public Budgeting and Financial Management*. pp. 119-142.

Due October 5, 6:00 PM: Management Brief #2. Upload your files to the Assignment page on Canvas.

Oct. 6

MIDTERM EXAM – Chilton 274 (on UNT-supplied laptops)

Oct. 13

BUDGETING FOR CAPITAL IMPROVEMENTS

Required Readings:

1. ICMA, Chapter 11.
2. Bunch, Beverly. (2013). Chapter 11: “Capital Planning and Budgeting” in *Management Policies in Local Government Finance*, 6th edition. Edited by John Bartle, Bartley Hildreth, and Justin Marlowe. pp. 253–278.

Oct. 20**DEBT MANAGEMENT****Required Readings:**

1. LILP, Module 7.
2. Miksell, John. (2018). Chapter 15: “Debt Administration” in *Fiscal Administration*, 10th edition. pp. 673-716.
3. Denison, Dwight. (2013) Chapter 12: “Debt Management” in *Management Policies in Local Government Finance*, 6th edition. Edited by John Bartle, Bartley Hildreth, and Justin Marlowe. pp. 279–295.

Oct. 27**CASH AND PENSIONS MANAGEMENT****Required Readings:**

1. Peng, Jun. (2013) Chapter 13: “Cash, Investments, and Pensions” in *Management Policies in Local Government Finance*, 6th edition. Edited by John Bartle, Bartley Hildreth, and Justin Marlowe. pp. 297–315.
2. GFOA. (2023). *OPEB Governance and Administration*.
3. GFOA. (2023). *Sustainable Pension Benefit Tiers*.

Due Nov 2, 6:00 PM: Management Brief #3. Upload your files to the Assignment page on Canvas.

Nov. 3**BUSINESS CYCLES AND CUTBACK MANAGEMENT****Required Readings:**

1. Plerhoples, Christina and Eric Scorsone. (2013). Chapter 10: Fiscal Stress and Cutback Management Among State and Local Governments. In *Handbook of Local Government Fiscal Health*. pp. 253-280.
2. Tracy Gordon et al. (2020). State and Local Government Finances in the Covid-19 Era. *National Tax Journal*.
3. Benedict S. Jimenez, (2014) Smart cuts?: Strategic planning, performance management and budget cutting in U.S. cities during the great recession. *Journal of Public Budgeting, Accounting & Financial Management*, Vol. 26 Issue: 3, pp.494-526
4. Warner, Mildred, et al. (2021). Pragmatic municipalism: US local government responses to fiscal stress. *Public Administration Review*, 81(3), pp. 389-398.

Nov. 10

LINKING BUDGETS TO IMPROVE PERFORMANCE

Required Readings:

1. ICMA, Chapter 12.
2. Lu, Yi, and Katherine Willoughby. (2019). Chapter 1 and Chapter 2. *Public Performance Budgeting: Principles and Practice*.
3. Collier, Lisa. (2022). The State Auditor's Office Guide to Performance Measure Management

Due Friday, November 16, 6:00 PM: Management Brief #4. Upload your files to the Assignment page on Canvas.

Nov. 17

INTERGOVERNMENTAL RELATIONS

Required Readings:

1. Lee et al. (2021). Chapter 15 "Intergovernmental Relations" in *Public Budgeting Systems* (10 ed.)
2. The Texas Comptroller of Public Accounts. (2024). *Texas Grant Management Standards (TxGMS)*
3. Hall, J. (2008). Assessing Local Capacity for Federal Grant-Getting *American Review of Public Administration*.
4. Shybalkina, L. (2024). Getting a Grant is Just the First Step: Administrative Capacity and Successful Grant Implementation. *American Review of Public Administration*.
5. GFOA. Guiding Principles in Grant Management and Internal Controls for Grant Monitoring: <https://www.gfoa.org/guiding-principles-in-grant-management>.
6. City of Austin Office of the City Auditor. (2023). Nonprofit Vendor Defrauded Austin Public Health.

Nov. 24

THANKSGIVING BREAK – No class

Dec. 1

ECONOMICS OF FEDERAL BUDGET

Required Readings:

1. Center on Budget and Policy Priorities, *Introduction to the Federal Budget Process*, Washington, D.C.: Center on Budget and Policy Priorities, August 23, 2017.
2. Philip G. Joyce, *The Costs of Budget Uncertainty, Analyzing the Impact of Late Appropriations* (Washington, D.C.: IBM Center for The Business of Government, 2012).
3. Gerald A. Carlino, "Did the Fiscal Stimulus Work?" *Quarterly Report of the Federal Reserve Bank of Philadelphia*, 2017.

Due December 7, 6:00 PM: Management Brief #5. Upload your files to the Assignment page on Canvas.

Dec. 9

FINAL EXAM – Chilton 274 (on UNT-supplied laptops)

POLICY ON CHEATING AND PLAGIARISM

Notice of this policy shall be given in all public administration classes each semester, and written copies shall be available in the public administration office.

Definitions

The UNT Code of Student Conduct and Discipline defines cheating and plagiarism “as the use of unauthorized books, notes, or otherwise securing help in a test; copying others’ tests, assignments, reports, or term papers; representing the work of another as one’s own; collaborating without authority with another student during an examination or in preparing academic work; or otherwise practicing scholastic dishonesty.”

Penalties

Normally, the minimum penalty for cheating or plagiarism is a grade of “F” in the course. In the case of graduate departmental exams, the minimum penalty shall be failure of all fields of the exam. Determination of cheating or plagiarism shall be made by the instructor in the course, or by the departmental faculty in the case of departmental exams.

Cases of cheating or plagiarism on graduate departmental exams, papers, theses, or dissertations shall automatically be referred to the departmental Curriculum and Degree Programs Committee. Cases of cheating or plagiarism in ordinary course work may, at the discretion of the instructor, be referred to the Curriculum and Degree Programs Committee in the case of either graduate or undergraduate students. This committee, acting as an agent of the Department, shall impose further penalties, or recommend further penalties to the Dean of Students, if they determine that the case warrants it. In all cases, the Dean of Students shall be informed in writing of the case.

Appeals

Students may appeal any decision under this policy by following the procedure laid down in the UNT Code of Student Conduct and Discipline.

POLICY ON DISABILITY ACCOMMODATION

The Department of Public Administration, in cooperation with the Office of Disability Accommodation, complies with the Americans with Disabilities Act in making reasonable accommodations for qualified students with disabilities. Please present your written accommodation request during regular office hours before the 12th class day of regular semesters (4th class day of summer sessions).

POLICY ON LAPTOPS AND CELL PHONES IN THE CLASSROOM

The classroom setting at an institution of higher learning is intended to serve as a venue that permits the transfer of knowledge and facilitates the sharing of ideas. As such, it is imperative that any distractions from these stated objectives be avoided and kept to a minimum. Potential disruptions include modern electronic devices such as laptop computers and cell phones.

Students are allowed to take notes on personal laptop computers to enhance the learning process, but they should not activate their internet browsers during class or use computers for non-academic purposes (as this diverts attention from the lecture/discussion for both the student using it and others nearby). Students should also avoid using cell phones to search the Internet or text while class is in session.

Exceptions to this policy will be at the discretion of the faculty only and may occur if searching the Internet is necessary to find additional information or facts related to the subject being covered on that particular day.

POLICY ON STUDENT BEHAVIOR IN THE CLASSROOM

Student behavior that interferes with an instructor's ability to conduct a class or other students' opportunity to learn is unacceptable and disruptive and will not be tolerated in any instructional forum at UNT. Students engaging in unacceptable behavior will be directed to leave the classroom and the instructor may refer the student to the Center for Student Rights and Responsibilities to consider whether the student's conduct violated the Code of Student Conduct. The university's expectations for student conduct apply to all instructional forums, including university and electronic classroom, labs, discussion groups, field trips, etc. The Code of Student Conduct can be found at www.unt.edu/csrr.

SEXUAL DISCRIMINATION, HARASSMENT, & ASSAULT

UNT is committed to providing an environment free of all forms of discrimination and sexual harassment, including sexual assault, domestic violence, dating violence, and stalking. If you (or someone you know) has experienced or experiences any of these acts of aggression, please know that you are not alone. The federal Title IX law makes it clear that violence and harassment based on sex and gender are Civil Rights offenses. UNT has staff members trained to support you in navigating campus life, accessing health and counseling services, providing academic and housing accommodations, helping with legal protective orders, and more.

UNT's Dean of Students' website offers a range of on-campus and off-campus resources to help support survivors, depending on their unique needs: <http://deanofstudents.unt.edu/resources>. UNT's Student Advocate can be reached through e-mail at SurvivorAdvocate@unt.edu or by calling the Dean of Students' office at 940-565-2648. You are not alone. We are here to help.