Political Science 542
Public Budgeting & Fiscal Management
Spring 2013
2:00-3:15 TTh, Faner 3075

Instructor:
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Office Hours:
3:15-4:30 TTh
or by appointment

Political Science 542 is designed to develop the skills and sense of the political/administrative process essential to work effectively in the governmental budgeting and fiscal management processes. We will cover topics such as budget structures and systems, taxation, debt administration, capital asset administration, revenue forecasting and intergovernmental fiscal relations. Each of these topics will be discussed within the context of the political process in which public sector agencies operate. The course will emphasize seminar discussion of assigned readings and cases. Attendance and prepared participation records will be kept and reflected in grading.

Grades
Grading will be based upon: (1) mid-term and final written exams which will cover the readings and seminar discussions (40% total); (2) seven applied exercises covering various topics (40% total); (3) participation in the federal budget simulation exercise (5%), 4) the federal budget presentation paper (10%), attendance and class participation (5%). One point will be deducted from the attendance and participation grade for each non-excused absence. Lack of preparation for a seminar session will be counted as an absence; late papers and exercises will be penalized one-point per day. Academic dishonesty will not be tolerated, and normally will result in a grade of F for the course. The budget paper and a number of the short exercises will be required to be submitted to turnitin.com. Instructions for access will be distributed with exercises.

<table>
<thead>
<tr>
<th>Final Grading Scale</th>
<th>Assignment</th>
<th>Date</th>
<th>Points</th>
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<tbody>
<tr>
<td>A</td>
<td>Midterm</td>
<td>March 5</td>
<td>20</td>
</tr>
<tr>
<td>B</td>
<td>Short Exercises</td>
<td>Various</td>
<td>40</td>
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<tr>
<td>C</td>
<td>Budget Simulation</td>
<td>Mar 26-Apr 2</td>
<td>5</td>
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<tr>
<td>D</td>
<td>Budget Paper</td>
<td>April 18</td>
<td>10</td>
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<tr>
<td>F</td>
<td>Final</td>
<td>May 8</td>
<td>20</td>
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<tr>
<td></td>
<td>Attendance &amp; Participation</td>
<td></td>
<td>5</td>
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<tr>
<td>Total</td>
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<td>100</td>
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Simulation Exercise

The budget simulation and part of the budget presentation paper will be based upon the National Budget Simulation 2006 version which is available at http://www.nathannewman.org/nbs/. The simulation exercise will be held in class and require students to play the roles of various actors in the federal budget process. The presentation paper will be a written exercise after the simulation requiring a comparison of the 2006 federal budget with the 2012 version and focus on what happened over six years. Detailed instructions will be distributed.

Emergency Procedures:

Southern Illinois University Carbondale is committed to providing a safe and healthy environment for study and work. Because some health and safety circumstances are beyond our control, we ask that you become familiar with the SIUC Emergency Response Plan and Building Emergency Response Team (BERT) program. Emergency response information is available on posters in buildings on campus, available on the BERT'S website at www.bert.siu.edu, Department of Public Safety's website www.dps.siu.edu (disaster drop down) and in the Emergency Response Guidelines pamphlet. Know how to respond to each type of emergency. Instructors will provide guidance and direction to students in the classroom in the event of an emergency affecting your location. It is important that you follow these instructions and stay with your instructor during an evacuation or sheltering emergency. The Building Emergency Response Team will provide assistance to your instructor in evacuating the building or sheltering within the facility.

<table>
<thead>
<tr>
<th>Topics &amp; Tentative Dates</th>
<th>Assignments</th>
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<tbody>
<tr>
<td>II The Budget Process</td>
<td>Mikesell, 2; Wildavsky &amp; Caiden, 3 (i.e. pp 42-67)</td>
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<tr>
<td>Size of government, Budget Process and terminology, Incrementalism</td>
<td></td>
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<td>(Jan 24-Jan 29)</td>
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<td>Exercise 1: (5 points) Due Jan 29</td>
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Federal variations on budgeting

(Jan 31)

State and local variations on budgeting
(Feb 5)

Budget preparation: Estimating personnel & non
personnel costs, Justification strategies
(Feb 7-14)

Exercise 2: (5 points) Due Feb 7

III  Budget Classification System

Line item, Program, Performance, Zero based
(Feb 19-21)

Principles of Presenting Budgets, Reform?
(Feb 26-28)

Exercise 3: (10 points) Due Feb 28

Midterm Exam  March 5

Capital Budgets, Accounting for time, Cost-
Benefit analysis
(Mar 7-19)

Exercise 4: (5 points) Due Mar 21

IV  Managing Debt and Cash

Federal debt
(Mar 21)

Federal Budget simulation
(Mar 26-April 2)

Mikesell, 3;
Wildavsky & Caiden
7 (i.e pp. 123-151)

Mikesell, 4.

Mikesell, 5;

Wildavsky & Caiden
9 (i.e. pp 181-204)

Mikesell, 6;

Mikesell, 7;
State & Local debt, Bond values & ratings  
(April 4)

Exercise 5: (5 points) Due April 9

When government finance goes wrong  
(April 9)

V The Revenue Side

Tax policy in the U.S. Rating revenue options  
(April 9-11)

The income tax  
(April 16)

Federal Budget Papers due April 18

Taxes on goods and services  
(April 18)

Property taxes  
(April 23)

Exercise 6: (5 points) Due April 25

User fees and public monopoly revenue  
(April 25)

Revenue estimation; Tax Collection  
(April 30)

Exercise 7 (5 points) Due April 30

Intergovernmental fiscal relations  
(May 2)

Final Exam Wednesday May 8th 3:10-5:10 PM.