

**Department of Public and International Affairs,
George Mason University
PUAD 663 State and Local Government Budgeting
Spring Semester 2008**

Professor James K. Conant
Office: Robinson A221
Office Hours: M 2:00 - 3:00; T 6:00-7:00
W 11:00-12:00 or by appointment

Phone: (703) 993-1416
[Email: jconant@gmu.edu](mailto:jconant@gmu.edu)
Mailbox: A201 Robinson Hall

Prerequisites for and Purpose of the Course: PUAD 502, 620, and 640 contain foundation material that will be used in the class. Please do not sign up for this class until you have completed these three courses or secure the permission of the instructor. The primary objective of this course is to provide an introduction to state and local government budgeting. Therefore, PUAD 663 is designed as a survey course, with emphasis placed on breadth of topical coverage rather than depth.

A second and more general purpose of this course is to introduce you to politics, policy, and administration in state and local government. By "following the money," as we will do in this course on state and local government budgeting, it is possible to learn a great deal about politics, policy, and administration in state and local government. In particular, we can learn about a government's priorities by examining the structure of its budget. Likewise, we can learn a great deal about the politics of a variety of policy and administrative issues by examining the relationship between the sources and uses of funds in a state or local budget. Last, but not least, we can learn a good deal about politics, policy, and administration in both state and local government by examining the intergovernmental relationships. In particular, the extent to which a state government raises taxes to provide state aid for K-12 schools, local governments, and social welfare policies is often a key factor in state politics and a key factor in the capacity that K-12 schools and local governments have to deliver services.

The third of objective of this course is the development of writing skills, verbal skills, analytic skills, group skills, and presentation skills. These skills have been consistently identified by employers with whom MPA faculty meet as key skills for professionals in the work place. Consequently, the MPA faculty has formally identified the development of these skills as a key program objective.

Course Organization, Pedagogy, and Objectives: This course is divided into seven general topical areas, with one or two weeks devoted to important sub-topics within these general areas. The thematic focus of the course is centered on the relationship between politics, policy, programs, budgets, and the public interest. We will try to follow the calendar outlined in the syllabus as closely as possible, but, like any administrative plan, adjustments may be required by unanticipated events or circumstances.

Required readings are listed on the syllabus for each week and each topic. I will provide an introduction and overview of each topic, and I may provide mini-lectures during each

class session. The majority of class time, however, will be used to discuss required readings. As a graduate student, you have the opportunity to participate in the great dialogue that is social science. Your skills as a participant in that dialogue will develop more quickly if you participate actively in class discussion. I will use a variety of techniques to ensure that opportunities to participate are evenly distributed.

A special feature of this class will be a close working relationship with local government officials in Northern Virginia (many of whom are alumni of this MPA program and PIA Department). Guest presentations on budgeting in local government and/or visits to one or more of the Northern Virginia's counties for presentations by staff will be key elements of this partnership. Current or former members of Virginia's executive and legislative branches will also be invited to give guest presentations.

At the end of this course, you should be familiar with and able to comfortably employ many of the key terms and concepts used in the field of public budgeting, as well as some of the principal models and theories of the field. In addition to these knowledge outcomes, your writing, verbal, and presentation skills should be stronger at the end of the course than they were at the beginning. Last, but not least, you will have made connections with professionals in state and local government who have budgeting roles and responsibilities, as well as MPA students in this class who have an interest in state and local government budgeting. In short, this class will give you an opportunity to build network of professional contacts.

Course Requirements and Grades: The work for this class consists of the readings for each week, three short papers (three to five pages) for weeks 1, 3 and 7 or 8, as well as a 10 to 15 page paper on budgeting in state or local government due on week 14 or 15. If there are several members of the class who want to work on the same topic, I am willing to consider the possibility of a group product. The questions for paper #1 are attached to this syllabus. The requirements for the other papers will be handed out during class #1.

Writing Resources and Writing Skills: The GMU Writing Center is a good resource for graduate students who want to improve their writing skills. The writing center is located in A114 Robinson Hall. Two other good resource to help you improve your writing skills are *Elements of Style*, by Strunk and White, and the Booth, Colomb, and Williams 7th ed., *A Manual for Writers of Research Papers, Theses, and Dissertations*.

Course Grades:

Class Disc.	Short Paper for Week #1	Short Paper for Wk #3	Short Paper on Week #7 or #9	Final Paper: State or Local Govt. Budgeting
20%	10%	15%	15%	40%

Course Grade Scale:

A+ = 100-98 B+ = 89-88 C+ = 79-78 F = < 70
 A = 97-92 B = 87-82 C = 77-72
 A- = 91-90 B- = 81-80 C- = 71-70

Late Papers: All written assignments must be submitted at the beginning of the class period on which they are due. A one-grade penalty will be applied for a paper that is one to three days late; a two-grade penalty will be applied for three to seven days.

Incompletes for the course are discouraged, but extraordinary circumstances can be accommodated. Requests for an incomplete must be submitted in writing at the earliest possible date.

Honor Code: The George Mason Honor Code is the code by which we operate. The core presumption of the code is that all written work is your own work. Proper citation of material taken from other published work is required.

Required Reading Materials available for purchase at the University Book Store:

1. James K. Conant, *Wisconsin Politics and Government*
2. Dall W. Forsythe, *Memos for the Governor*
3. Readings Packet

Required Reading Material Recommended for Purchase at the GMU Bookstore:

Kurt M. Thurmaier and Katherine Willoughby, *Policy and Politics in State Budgeting*

Books on Reserve at the Johnson Center

Edward J. Clynch and Thomas P. Lauth ed., *Budgeting in the States, Institutions, Processes, and Politics*

Kurt M. Thurmaier and Katherine Willoughby, *Policy and Politics in State Budgeting*

Conant, Haveman, and Huddleston ed., *Dollars and Sense: Policy Choices and the Wisconsin Budget, Vol. II*

E-Reserve: Copies of all required reading materials that are not part of the three books recommended for purchase or the books on reserve at the Johnson Center will be on e-reserve offered through the Johnson Center Reserve Room. Go to the GMU library's home page for access to the e-reserve readings. I will give you the password for the e-reserve readings during the first class period.

Note: I am using my Wisconsin book and a number of my published articles as required readings in this course. I do not receive any royalties for using these publications.

I. INTRODUCTION AND OVERVIEW

1. Jan. 21--no class; Martin Luther King Day

2. Introduction: State Budget Processes and State Budgets

(Jan. 28)

James K. Conant, "Budget-making in the States," Conant, Haveman, and Huddleston ed., *Dollars and Sense: Policy Choices and the Wisconsin Budget, Vol. II* (packet)

James K. Conant, "The State Budget and Budgetary Process," *Wisconsin Politics and Government*, Chapt. 8

***Short Paper Due** (Answers to the questions for week #1)

Recommended:

Clynch and Lauth, "Budgeting in the States: Institutions, Processes, and Policies," Clynch and Lauth ed., *Budgeting in the States, Institutions, Processes, and Politics*, Chapt. 1 (Johnson Center, Reserve, Reserve Reading Room)

II. EXECUTIVE BUDGET DEVELOPMENT AND PRESENTATION

3. Governors, Executive Budget Preparation, Presentation, and Support

(Feb. 4)

Dall W. Forsythe, *Memos to the Governor*

Recommended:

James K. Conant, "The Governor," *Wisconsin Politics and Government*, Chapt. 4

Dall W. Forsythe, "New York: The Growth, Waning, and Resurgence of Executive Power," Clynch and Lauth ed. (reserve)

4. Executive Branch Agency and State University System Budgets, Budget Requests, Policy Choices, and Management (sources and uses of funds)

(Feb. 11)

Daniel W. Bromley and Barbara J. Irvin, "Environmental Issues in Wisconsin," Conant, Haveman, and Huddleston ed., *Dollars and Sense: Policy Choices and the Wisconsin Budget, Vol. II* (packet)

W. Lee Hansen and Kathleen R. Sell, "The UW System Budget," Conant, Haveman, and Huddleston ed., (packet)

Recommended:

William D. Dobson and Kathleen T. Haygood, "Agriculture: A Sector in Transition" Conant, Haveman, and Huddleston ed., *Dollars and Sense: Policy Choices and the Wisconsin Budget, Vol. II* (reserve)

***Short Paper Due** (Answers to Questions for Week #3); **In Class Discussion of Papers**

5. Budget Offices, Budget Officers and Analysts, and their Recommendations

(Feb. 18)

Kurt M. Thurmaier and Katherine G. Willoughby, *Policy and Politics in State Budgeting*, Chaps. 2-4 (purchase and reserve)

Recommended:

Thurmaier and Willoughby, Chaps. 1 & 5-9

III. LEGISLATIVE BUDGET REVIEW AND BUDGET APPROVAL

6. Legislators, Legislative Budget Analysts, Interest Groups, and Budget Approval

(Feb. 25)

James K. Conant, "The Legislature," *Wisconsin Politics and Government*, Chapt. 3
Katherine G. Willoughby and Mary A. Finn, "Decision Strategies of the Legislative Budget Analyst: Economist or Politician?" (e-reserve)

James K. Conant, "Private Interests and Interest Groups," *Wisconsin Politics and Government*, Chapt. 6

Recommended:

Carol W. Lewis, "Connecticut: Public Scarcity and Private Wealth," Clynch and Lauth ed., Chapt. 5 (reserve)

Robert B. Bradley, "Florida: Ebb and Flow in Executive-Legislative Relations," Clynch and Lauth ed., Chapt. 8 (reserve)

IV. BOOM & BUST CYCLES, STRUCTURAL DEFICITS, & PERFORMANCE BUDGETING

7. Boom/Bust Cycles and Structural Deficits: Causes, Consequences, and Remedies

(Mar. 3)

James K. Conant, "Introduction: State Budgeting in FY 2002: Dealing with the Bust Phase of the Boom and Bust Cycles, Again!" *Public Budgeting and Finance*, Summer 2003 (packet)

Thomas P. Lauth, "Budgeting during a Recession Phase of the Business Cycle: The Georgia Experience," *Public Budgeting and Finance*, Summer 2003 (packet)

James K. Conant, Wisconsin's Budget Deficit: Size Causes, Remedies, and Consequences, *Public Budgeting and Finance*, Summer 2003 (packet)

Recommended:

Donald A. Nichols, "The Effect of the Economic Recession on the Budget," Conant, Haveman, and Huddleston ed., *Dollars and Sense: Policy Choices and the Wisconsin Budget, Vol. II* (reserve)

Thomas P. Lauth, "Georgia: Shared Power and Fiscal Conservatism," Clynch and Lauth ed. Chapt. 3 (reserve)

Thomas P. Lauth, "Georgia Budgeting: A Down Economy and Divided Party Government, Public Finance and Budgeting Section, Western Social Science Association Meeting, April 15, 2005 (e-reserve)

James K. Conant, "Wisconsin: Institutions, Processes, and Policies," Clynch and Lauth ed., Chapt. 13 (reserve)

8. Mar. 3 Spring Break (No class)

9. Boom/Bust Cycles and Structural Deficits: Causes, Consequences, and Remedies

(Mar. 17)

James K. Conant, Virginia: "Expenditure Increases, Tax Cuts, and Budget Deficits," Clynch and Lauth, ed. Chapter 12 (reserve and packet)

David Juppe, "Maryland Budgeting in the Post-Recessionary Period," Public Finance and Budgeting Section, Western Social Science Association Meeting, April 15, 2005 (e-reserve)

Recommended:

Jerry L. McCaffrey, "California: Revenue Scarcity, Incremental Solutions, the Rise of Citizen Initiatives, and the Decline of Trust," Clynch and Lauth, ed. Chapt. 2 (reserve)

Bill Simonsen, "Oregon: The Influence of Direct Democracy on Budget Outcomes," Clynch and Lauth, ed., Chapt. 7 (reserve)

10. Performance Budgeting in Virginia and Other States

(Mar. 24)

Virginia Budget Materials (class handout)

Robert L. Bland and Wes Clarke, "Texas: The Use of Performance Data in Budgeting and Management," Clynch and Lauth ed. Chapt. 15 (reserve)

Katherine G. Willoughby, "Performance Measurement and Budget Balancing: State Government Perspective," *Public Budgeting and Finance*, Summer 2004 (e-reserve)

V. STATE-LOCAL RELATIONS and FINANCE

11. State-Local Finance: Revenue Systems and State Aid for K-12 Schools, Municipalities, Counties, and Social Welfare Programs

(Mar. 31)

Helen F. Ladd, "The Meaning of Balance for State-Local Tax Systems," Stephen D. Gold ed., *The Unfinished Agenda for State Tax Reform* (packet)

James K. Conant, "State-Local Relations" *Wisconsin Politics and Government*, Chapt. 11

Recommended: (on next page)

Robert J. Klein and John Shannon, "Characteristics of a Balanced and Moderate State-Local Revenue System," Steven D. Gold ed., *Reforming State Tax Systems*, Chapt III. (e-reserve)

James K. Conant, "Local Governments" *Wisconsin Politics and Government*, Chapt 10

James K. Conant, "Winners and Losers in Wisconsin's Tax and Expenditure System," Conant, Haveman, and Huddleston ed., *Dollars and Sense: Policy Choices and the Wisconsin Budget, Vol. II* (reserve)

VI. BUDGETING IN LOCAL GOVERNMENT

12. Local Government Budget Processes and Budgets

(April 7)

Fairfax County Tax Department, "Tax Facts," www.fairfaxcounty.gov/dta

See similar publications on web sites for Prince William and Arlington Counties.

13. Budget Strategies, Preparation, and Approval

(April 14)

See Budget Documents for the three counties as presented on their web sites.

14. Boom and Bust Cycles and Fiscal Stress in FY 2007 & 2008

(April 21)

Budget Documents for the three counties as presented on their web sites.

Recent articles in the Washington Post on the projected deficits in each county.

15. Capital Budgeting and Budgeting for Contracting Public Services

(April 28)

Handouts will be provided for the discussion of capital budgeting.

Irene Rubin, "*Budgeting for Contracting in Local Government, Public Budgeting and Finance*," Spring 2006

VII. CONCLUDING THOUGHTS AND PERSPECTIVES

16. State and Local Budgeting: Past, Present, and Future

(May 5)

***Final Papers Due: May 12**

Requirements and Formatting for Short Paper #1

Provide a cover page for your paper, with your name, the class number, the date and the assignment. Please use 12 point type, "1" margins, with page numbers centered at the bottom of the page. Double space the lines and indent paragraphs.

Short Paper #1 (2-3 pages; material from Week #1) Answer the questions below.

1. What is a budget? In what ways are state government budgets similar to and different from household budgets? In what way or ways are state government budgets similar to and different from national government budgets?

2. What are the stages of the budgetary process in the states, who are the main governmental and nongovernmental actors in the budgetary process, what factors are often key to the level of conflict that occurs in the budgetary process, and what factors are often key the outcomes of that process?

3. What are the principal sources of revenue for Wisconsin's General Purpose Revenue Budget and what are the principal sources of revenue for Wisconsin's Operating Budget?

- 3b. What are the principal uses of revenue (expenditures) in Wisconsin's General Purpose Revenue Budget and what are the principal uses of revenue (expenditures) in Wisconsin's Operating Budget?

- 3c. What revenues (or funds) are not included in either Wisconsin's General Purpose Revenue Budget or in Wisconsin's Operating Budget? Why do you think these funds are not included in either budget?

Requirements for the other papers will be provided in class.