

**PADM 534**  
**Budgeting and Fiscal Management**

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Spring 2022  
La Verne Main Campus

**[Tentative as of January 21, 2022]**

**Instructor & Contact Information**

Instructor: Soomi Lee, Ph.D.

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Office Hours: Mondays 5:00 PM – 6:00 PM or by appointment.

**Course Meetings**

Mondays 6:00 PM - 9:15 PM.

Classroom Location: <https://ulv-edu.zoom.us/my/soomi.lee>

**Course Meetings**

- Online face-to-face meeting: Wednesdays 6:00 PM – 9:30 PM.
- Online asynchronous session: Any time after the face-to-face meeting, 1.5 hours.

This course integrates synchronous and asynchronous online learning activities. The online synchronous sessions will be held on Zoom between 6:00 PM and 9:30 PM with a 15-minute break on the scheduled class day. Asynchronous online sessions will be held for 1 hour and 30 minutes anytime between the end of the on-ground sessions and the day before the next on-ground sessions, unless instructed otherwise.

I will hold weekly office hours. You do not need to make an appointment to see me during the office hours. If your schedule does not allow you to utilize the office hours, feel free to contact me with questions or concerns via email, phone, or Zoom. Personal conversations with me will remain confidential.

I am aware of the various challenges you may face due to the Covid-19 pandemic, including infection/exposure, work schedule, family circumstances, physical and mental health problems, etc. I will be as flexible as possible to accommodate your circumstances and to achieve learning objectives for all of you.

Clear communication therefore is the key to successful course completion. I will reply to email messages within two business days upon receipt. Feedback and grades for assignments will be provided within a week.

### **Catalog Description**

“Emphasizes budgeting and financial management in the public sector. Focuses on fiscal sustainability, transparency, and accountability issues. Students gain an understanding of fiscal tools and develop skills for budgeting and fiscal analysis.”

### **Course Description**

States and cities provide most government services that affect our everyday life including public safety, fire protection, public education, street cleaning, road maintenance, water supply, and recreation. These services require stable and sufficient revenues. At the same time, local governments have to deal with inherited costs (e.g., pension funds and aging infrastructure) and additional costs of emerging policy issues (e.g., environmental protection and disaster preparedness), while facing institutional fiscal constraints such as Proposition 13 in California. State and local government leaders try to meet the challenge of providing public services while keeping their tax base competitive. To combat these various challenges, state and local governments contrive innovative solutions to achieve tangible results that impact the lives of people.

“Budgeting and Fiscal Management” is a broad title that can apply to money management for governments, for-profit, as well as non-profit businesses. Since this course is offered in Public Administration, we will exclude the private sector. “Public Budgeting and Fiscal Management” may include (but not limited to) accounting, budgeting, operation control, budget process, executive budget preparation and execution, legislative approval processes and requirements, revenue management, strategic fiscal allocation, to name a few. That means we need to choose our focus in this eight-week course.

I decided to focus on local government finance, especially municipal governments. Since cities provide core general services, it is important for them to maintain fiscal health. In this course, we will start with a big picture—American fiscal federalism. Then we will learn the basics of local governments' fiscal management through financial reports. Financial reports provide the information about government's service provision activities and how they are

funded. Thus, we will examine various sources of revenues, especially the primary source of revenues for local governments, the property tax. Furthermore, we will learn how to assess municipalities' fiscal health by reading basic financial reports. We will need to learn a little bit about principles of accounting and some important concepts such as liquidity, profitability, and solvency. These are extremely important because a city's fiscal health is an indication of their ability to continue to provide public services to their residents. Lastly, we may also explore current issues around state and local finances such as fiscalization of land use, reallocation of police spending, or fiscal impacts of the Covid-19 pandemic.

This course aims at providing a solid understanding of how finance affects public service provision. The audience of this course is future leaders of state and local governments. Leaders in the public sector set service priorities and manage funds accordingly. Thus, being able to strategically allocate resources is the key. This course is designed to contribute to your toolkit to be a successful leader in the public sector. That said, this course is not meant to train accountants. Thus, we will not exclusively focus on Microsoft Excel Spreadsheet.

### **Course Objectives**

After the course, students will be able to understand basic concepts, procedures, and issues around state and local finance. Students will be able to:

1. Describe the connection between government finance and the economy;
2. Compare different sources of federal, state, and local revenue;
3. Understand state and local budget process and institutional constraints, especially Proposition 13 in California;
4. Understand the elements of basic financial reports;
5. Conduct a financial ratio analysis to assess municipal fiscal health;
6. Identify current issues in state and local public finance through the latest academic research

### **Course Objectives towards MPA Program Curriculum**

PADM 534 partially fulfills the Management of Organizational Resources and The Development of Analytic and Decision Making Capacity curriculum elements of the MPA mission.

1. Students will gain knowledge of common terms and philosophies utilized in the administration of financial resources.
2. Students will increase their understanding of complex issues in the administration of financial resources.
3. Students will understand the decision-making process in public administration including evaluating decisions between alternatives through ethically fiscal means.

## Textbooks & Course Materials

- Sharon Kioko and Justin Marlowe. 2017. *Financial Strategy for Public Managers*. **Open access (it's free of charge)**: <https://press.rebus.community/financialstrategy/> A PDF copy is available on Blackboard.
- Course materials (journal articles, reports, etc.) will be posted to Blackboard.

## Optional:

- [Farhat's Accounting Lectures on Governmental and Not-for-Profit Organizations](#). Detailed and useful lectures for students in accounting.
- Mikesell, John. 2018. *Fiscal Administration*. 10<sup>th</sup> edition. Cengage. This is a comprehensive textbook for government budgeting and financial management that covers the federal, state, and local governments.

## Course Requirements

1. Four biweekly assignments. 80 percent of the grade. 20% each.  
Assignments include a mix of multiple-choice questions, essays, and specific tasks. You will open the assignment on Blackboard and follow the instructions. The assignment "activities" are your asynchronous online sessions.
2. Final paper and presentations. 20% of the grade.
  - a. You will assess a city government's financial health using its latest Annual Comprehensive Financial Statement (ACFR). Cities are assigned to students on the first day of the class. Some students will be assigned to the same city. Once you know your assigned city, go to the city's website and download the latest ACFR. The goal is to produce a final report on the fiscal health of the city. Details of instructions, requirements, a template, and a sample paper will be available on Blackboard.
  - b. You will present your findings on the last day of the class. Because we have a relatively large class size, students with the same city will present together. In other words, the final paper should be submitted individually, but the presentation will be given as a group. A template and requirements will be available on Blackboard.
  - c. For due dates, see "Weekly Sessions."

Assignments		% grade
Assignment 1	Multiple choice questions & essay questions	20
Assignment 2	Multiple choice questions & essay questions	20
Assignment 3	Multiple choice questions & essay questions	20
Assignment 4	Multiple choice questions & essay questions	20
Final Paper & Presentation	Paper (individual) and presentation (group)	20

## **Grading Policy**

The grading policy for graduate students is based on the assumption that the grade for acceptable and satisfactory performance in graduate study is B (3.0). Graduate students must perform at an above-average level, compared to undergraduate standards, to progress satisfactorily in graduate programs. The C- or D grades are unacceptable in graduate work; therefore, there are no C- and D grades for graduate students (University Catalog 2011-2012, p. 44).

## **Incomplete Grades (INC) Policy**

Incompletes are authorized only when (1) it is impossible for the students to complete the course because of illness or other justifiable cause AND (2) the student completed at least 60% of course requirements (homework assignments, take-home midterm examination, and final paper). If a student is not able to complete 60% of the requirements, s/he cannot request an incomplete and shall retake the course.

## **Grading Scale**

A (94-100), A- (91-93), B+ (88-90), B (84-87), B- (80-83), C+ (76-79), C (71-75), Fail (70-)

A & A-	"Demonstrates insightful mastery of the subject matter and exceptional quality in written and oral communication."
B+ & B	"Exhibits professional competence in the subject matter and in all written and oral communication."
B-, C+ & C	"Completes course assignments and requirements with minimally acceptable proficiency in written and oral communication." (Below professional standards.)
INC	"Incompletes are authorized only when it is impossible for the student to complete the course due to illness or other justifiable causes and only with a formal written petition from the student to the professor. The petition must be filed prior to the last day of the term."

## **University Policy on Academic Honesty**

Each student is responsible for performing academic tasks in such a way that honesty is not in question. Unless an exception is specifically defined by an instructor, students are expected to maintain the following standards of integrity:

1. All tests, term papers, oral and written assignments, and recitations are to be the work of the student presenting the material. (Interpretation of this standard means that a student cannot submit work from a previous class without instructor permission.)
2. Any use of wording, ideas, or findings of other persons, writers, or researchers requires the explicit citation of the source; use of the exact wording requires a "quotation" format.
3. Deliberately supplying material to a student for purposes of plagiarism is also culpable.

When academic honesty is in question, the following may occur:

1. A faculty member who has clear evidence that academic honesty has been violated may take appropriate disciplinary action. Appropriate disciplinary action may include, but is not limited to, requiring the students to rewrite a paper or retake a test, giving the student an F on the assignment and/or in the course, and/or recommending expulsion. If the action includes giving a course grade of NCR (No Credit) or F and/or a recommendation for expulsion because of academic dishonesty, the faculty member must report the action to the Department Chair and/or Academic Dean (or to the Campus/Program Director for off-campus situations). The course grade will be given immediately to the University Registrar to record on the student's academic transcript. Students may not drop or withdraw from the course after they have been sanctioned for academic dishonesty.
2. If a faculty member has reason to suspect academic dishonesty (even after having seen requested additional or revised work when appropriate) and the student denies the allegation, the faculty member may refer the matter to the Provost (through the Campus/Program Director for off-campus situations). Following due process, an Academic Judicial Board may be formed to investigate the matter and make a recommendation to the Provost about whether academic honesty has been violated. The Provost will then take appropriate action, which may include, but is not limited to, academic probation, suspension, or expulsion. In this process, students may be asked to produce earlier drafts of their work and/or original notes and resources, other samples of writing, or documents deemed appropriate or necessary by the Board.
3. Grades of F or NCR received in courses due to academic dishonesty will be filed with appropriate documentation for future reference in the office of the Provost by the Department Chair, Academic Dean, or Campus/Program Director. Students receiving an F or NCR as a result of academic dishonesty will be sent a letter from the Provost, noting that a second offense will result in expulsion.
4. Expulsion for academic dishonesty will be noted on the student's transcript by the words "Expelled for Academic Dishonesty." (University Catalog 2011-2012, pp. 50-51).

## **University Vision, Mission, and Core Values Statements**

The University of La Verne will be nationally recognized for its enriching and relevant educational experience, which prepares students to achieve more than they ever imagined.

### University Mission

The University of La Verne offers a distinctive and relevant educational experience to a diverse population of traditional-age, adult, and graduate learners, preparing them for successful careers and a commitment to life-long learning across the liberal arts and professional programs.

### Core Values of the University of La Verne

- **Ethical Reasoning:** The university affirms a value system that actively supports peace with justice, respect of individuals and humanity, and the health of the planet and its people. Students are reflective about personal, professional, and societal values that support professional and social responsibility.
- **Diversity and Inclusivity:** The university supports a diverse and inclusive environment where students recognize and benefit from the life experiences and viewpoints of other students, faculty, and staff.
- **Lifelong Learning:** The University promotes intellectual curiosity and the importance of lifelong learning. It teaches students how to learn, to think critically, to be capable of original research, and to access and integrate information to prepare them for continued personal and professional growth.
- **Civic and Community Engagement:** The university asserts a commitment to improving and enhancing local, regional, and global communities.

### University Diversity Statement

The University supports a diverse and inclusive environment where students recognize and benefit from the life experiences and viewpoints of other students, faculty, and staff.

Diversity is an active and intentional practice that supports difference and multiplicity to expand knowledge, educate capable citizens, develop the whole person, and serve our local and global communities. Promoting and sustaining diversity is a commitment to educational quality and the creation of positive, respectful learning communities.

### Link to Social Justice Incident Report Form

If at any time during this course you witness or experience discrimination or injustice, we encourage you encouraged to report the incident through the [Social Justice Incident Report Form](#) available to all University of La Verne community members.

### Accessibility Statement

University policies concerning students with disabilities are available through the Accessibility Services. Students may speak privately with the instructor for assistance contacting the Director of Accessibility Services. If you have other requirements and wish to discuss non-disability related academic accommodations, please contact the instructor as soon as possible. Contact information for Accessibility Services may be found at [Accessibility Services](#) or by calling 909.448.4938.

### **Title IX Statement**

Federal obligations, faculty, and other employees are considered mandated reporters when it comes to experiences of interpersonal violence (sexual assault, sexual harassment, dating or domestic violence, and stalking). Disclosures of such must be passed along to the University's Title IX Manager who can help provide support, remedies, and resources for individuals who have been impacted. More information can be found online at <https://laverne.edu/title-ix/> or [title9manager@laverne.edu](mailto:title9manager@laverne.edu) or 909-448-4078.

### **List of University Resources**

- [Campus Emergency Status](#)
- [ULV Covid-19 information](#)
- [Counseling and Psychological Services](#)
- [Student Health Services](#)
- [Office of Campus Safety](#)
- [Academic Success Center](#)
- [ACS Student Resource Portal - Research](#)
- [Center for Neurodiversity, Learning, and Wellness](#)
- [Interfaith Calendar](#)

### **Disclaimer**

I may need to make corrections, changes, or other alterations to the syllabus, course requirements, and other elements contained here. Such changes will be communicated to you either in a regular class session or other appropriate means (e.g., via email or Blackboard). All matters related to student rights and responsibilities, as outlined in the ULV Catalog, are adopted here.



# Weekly Sessions

## Topics, Readings, & Assignments

[Tentative]

\*KM: Kioko & Marlow

### Week 1. Jan. 31. Overview.

Goals:

- Understand course objectives, schedule, and assignments;
- Obtain community profiles from the U.S. Census online database;
- Explain the link between community characteristics and local revenues and expenditures.

Required readings:

- KM, Introduction.

### **Week 1. Online session**

Assignment. [Blackboard > Assignments > Assignment 1. Due: Feb. 6.](#)

### Week 2. Feb. 7. Financing the Public Sector

Goals:

- Understand the structure of American fiscal federalism;
- Identify revenue sources and main spending areas at the federal, state, and local governments;
- Explain types of taxes and their strengths and weaknesses;
- Understand the principles of a good tax system;
- Understand the macro-challenges that will shape the future of public finance.

Required readings:

- KM, Ch.1. How we pay for the public sector.

### **Week 2. Online session**

- Watch KPBS. "[The Legacy of Prop 13.](#)"
- Read California Board of Equalization. 2019. [California Property Tax: An Overview.](#)
- [Optional] Read LAO. 2012. [Understanding California's Property Taxes.](#)
- [Optional] [Special Districts.](#) Last Week Tonight with John Oliver, 2016.

### **Week 3. Feb. 14. Local Fiscal Landscape and Proposition 13 in California**

Goals:

- Understand how traditional property tax is levied.
- Articulate California's Proposition 13 and how it has impacted local finance.
- Explain how tax reliefs work such as "circuit breaker."
- Articulate the causes of the proliferation of special taxes and special districts in relation to tax and expenditure limitations (TEs).

Readings:

- LAO. 2012. [Understanding California's Property Taxes](#).
- Watch: KPBS. "[The Legacy of Prop 13](#)."

Optional:

- [Special Districts](#). Last Week Tonight with John Oliver, 2016.
- California Board of Equalization. 2019. [California Property Tax: An Overview](#).

### **Week 3. Online session**

- Assignment. Blackboard > Assignments > Assignment 2. Due: Feb. 20.
- Take a look at [Lakewood's Annual Comprehensive Financial Report, 2020-2021](#).
- Download your assigned city's Annual Comprehensive Financial Report (2020-2021)
- Read KM, Ch.2.
- [Optional] Watch videos in [Farhat's Accounting Lectures on Governmental and Not-for-Profit Organizations](#) if you need to,

### **Week 4. Feb. 21. Basic Financial Statements**

Goals:

- Identify the fundamental equation of accounting;
- Understand the structure of ACFR and types of financial statements;
- Explain what information each statement is designed to convey about an organization;
- Recognize the key elements of the financial statements: assets, liabilities, revenues, and expenses.

Required readings:

- KM, Ch.2. The basic financial statements.
- Caroline Cournoyer. 2012. "Are Comprehensive Annual Financial Reports Useless?"

Optional:

- Government Finance Officer Association. 2021. [Proper Referencing of the Comprehensive Annual Financial Report - An Inclusivity Concern](#).
- [Video] [Renaming the Comprehensive Annual Financial Report](#)
- [Fahrat's Accounting Lectures: Governmental and Not-for-profit Accounting](#).

#### **Week 4. Online session**

- Read KM, Ch.3.
- Take a look: Auditor of the State of California. [Fiscal Health of the California Cities](#).
- Read: Auditor of the State of California. Fiscal Health of the California Cities. [Methodology](#).

#### **Week 5. Feb. 28. Financial Statement Analysis**

Goals:

- Understand why fiscal health of local governments is necessary and how it is used.
- Compute and interpret financial ratios for liquidity, profitability, and solvency.
- Strategies to improve liquidity, profitability, and solvency.
- Contrast short-term solvency with long-term solvency for governments.

Required readings:

- KM, Ch.3.
- Auditor of the State of California. [Fiscal Health of the California Cities](#).
- Auditor of the State of California. Fiscal Health of the California Cities. [Methodology](#).

#### **Week 5. Online session**

[Assignment](#). [Blackboard > Assignments > Assignment 3](#). Due: Mar. 6.

#### **Week 6. Mar. 7. Budgeting**

Goals:

- Recognize key components of a budget timeline and formal budget process.
- Understand sources of conflict and compromises in the budget process.
- Distinguish the “balanced budget” in theory and practice.
- Articulate budget incrementalism and reforms of budgeting.
- Understand strategies to expand the budget authority or respond to potential cuts.
- Understand why a budget for service might differ from what that service costs.

Reading:

- KM, Ch.6.
- [California budget 2022-2023](#)
- [Governor Newsom's presentation on California budget 2022-2023.](#)
- City of Lakewood, CA. [Budget 2020-2022.](#)

**Week 6. Online session**

[Assignment. Blackboard > Assignments > Assignment 4. Due: Mar. 13.](#)

**Week 7. Mar. 14. Guest Lecture (tentative).**

Practitioner's Perspectives on Municipal Budgeting and Financial Management

Mr. Jose Gomez. Director of Finance & Administrative Services, City of Lakewood, CA

**Week 7. Online session**

Prepare for the final presentation and paper

**Week 8. Mar. 21. Student Presentations**

[Final paper due.](#)

## WebEx and Zoom Recording Privacy Guidelines

1. Faculty who teaches “**remote**” courses are expected to record live sessions and make them available for students who cannot attend.
2. Faculty recordings of live sessions that do not include students may be shared across classes, sections, and terms.
3. Live session recordings that include students may be distributed to students within the course only (not across classes, sections, or terms). Professors must take precautions that the recordings cannot be accessed by individuals outside the course without consent. Students’ names, voices, photos or videos, and chat activities may be recorded as long as access is kept to class participants.
4. The assumption is that students appear in live sessions only as ancillary participants (for example, asking a question or answering a question) and not as main speakers. If students become the main speaker like a paper presenter, a written or recorded consent may be obtained in advance or right before recording. An alternative is not to record any student led presentations and record only lectures including interactive lectures. Regardless, all recordings that include students, unless they do not contain any personally identifiable information, will need to stay within the course and any release of them to outside parties will require a specific consent from all parties.
5. If live session recordings that include students will be used in different classes, sections, or terms, they should be edited to remove students’ personally identifiable information.
6. The following may be included in **the syllabus**, along with #10 below. “This class or portions of this class will be recorded by the instructor for educational purposes. These recordings will be shared only with students enrolled in the course. Please note that **no one should share class recording content with anyone** outside of the class without a consent from all parties.”
7. Each time a session is recorded, it may be a good practice to announce that in the beginning.
8. If in doubt or not sure, please use the most stringent way to protect students’ personally identifiable information.
9. More information about recordings and FERPA in general may be obtained at:  
[https://studentprivacy.ed.gov/sites/default/files/resource\\_document/file/FERPAandVirtualLearning.pdf](https://studentprivacy.ed.gov/sites/default/files/resource_document/file/FERPAandVirtualLearning.pdf).
10. Remote Course Privacy Issue. It is an invasion of privacy and a violation of the course policies for anyone to **record and/or distribute** another class participant's photographs, videos, screenshot saves, or any other method for capturing an image or audio, moving or still, with or without sound, without the participant's written consent. This policy does not apply to the University's or professor's recording of the synchronous portion of the course.