

## Local Government Finance & Budgeting

Lecture:	Tuesday 12:00pm - 2:40pm, 108B Hayes Hall
Instructor:	Dr. Robert Silverman
Office:	201K, Hayes Hall
Office Hours:	Tuesday 11am - 12pm, Wednesday 12pm – 2pm (and by appointment)
Phone:	829-2133 x227
E-Mail:	rms35@ap.buffalo.edu

### The Course:

This course provides students with an overview of the issues that planners face in the public finance and budgeting arena. Public finance tools and techniques relevant to planning in urban communities will be introduced and discussed during the semester.

We will meet once a week for the next fifteen weeks. During each class session we will discuss the assigned readings and their relevance to the exam, group presentation, and the financial analysis paper you will be working on during the semester. Everyone should be prepared to discuss the readings on a weekly basis. Guest speakers will be announced during the semester. Regular and punctual attendance is required for full credit.

If you have any questions during the semester, please bring them to my attention. I will be available during my office hours and by appointment. Also, you may contact me by phone or using e-mail. The syllabus for this class is subject to change during the semester.

**Required Text and Required Reserve Readings:** The required texts are available at the UB Medical Campus Bookstore and the College Store.

- 1) Brunori, David. 2003. *LocalTax Policy: A Federalist Perspective*. Washington, DC: The Urban Institute Press.
- 2) Honadle, Beth Walter, James M. Costa and Beverly A. Cigler. 2004. *Fiscal Health for Local Governments: An Introduction to Concepts, Practical Analysis, and Strategies*. San Diego, CA: Elsevier Academic Press.
- 3) Schweke, William. 2004. *Smart Money: Education and Economic Development*. Washington, DC: Economic Policy Institute.
- 4) Required Reserve Readings are available on the S:drive and UB Learns

**Note:** In addition to the required readings it is suggested that students purchase a copy of a style manual (i.e. *The Chicago Manual of Style*, or a similar manual) to use as a reference when writing papers, journals and other assignments during the semester.

### **Course Requirements:**

**Exam:** There will be an in-class, closed book exam on October 23. The exam will test your knowledge of course materials covered between August 28 and October 16.

**Group Presentation:** Each student will be assigned to a group. The groups will be assigned a public finance issue to research. On October 16 the groups will present the findings from their research in class. The group presentation will be discussed in detail during lecture on September 4.

**Financial Analysis:** A paper (8-10 pages in length for students enrolled in PD439, 10-15 pages in length for students enrolled in PD539) is due at the beginning of class on December 4. The paper should be based on library and applied research. In the paper students will examine the financial structure of a local governmental unit, school district, or special district, and make inferences about it using existing academic literature focusing on similar organizations. The financial analysis has two foci: to evaluate the financial structure of a selected entity, and to make recommendations for budget and financial management reform with a specific focus on enhancing equity and efficiency. The financial analysis will be discussed in detail during lecture on September 4.

**Individual Presentation:** On December 4, each student will present a summary of the findings from his/her financial analysis. The presentation will be discussed in detail during lecture on November 27.

**Class Participation:** A portion of your overall grade will be determined by your weekly participation in class. Make sure you complete the assigned readings before each class and be prepared to discuss them. Regular and punctual attendance is required for full credit.

### **Grading Policy:**

There are 100 points possible during the semester. With the exception of extreme emergencies, the grade of "I" will not be given at the end of the semester. Extra credit will not be offered in this course. Your grade will be based on the following assignments and activities:

EXAM	45 points
GROUP PRESENTATION	4 points
FINANCIAL ANALYSIS	45 points
INDIVIDUAL PRESENTATION	3 points
CLASS PARTICIPATION	3 points

### **Graduate Student Grading Scale:**

<u>Grade</u>	<u>Total Points</u>
A	96-100
A-	90-95.99
B+	87-89.99
B	84-86.99
B-	80-83.99
C+	77-79.99
C	70-76.99
D	60-69.99
F	0-59.99

**Undergraduate Student Grading Scale:**

<u>Grade</u>	<u>Total Points</u>
A	96-100
A-	90-95.99
B+	87-89.99
B	84-86.99
B-	80-83.99
C+	77-79.99
C	74-76.99
C-	70-73.99
D+	67-69.99
D	60-66.99
F	0-59.99

**Academic Integrity:**

Students are expected to approach the course with seriousness and integrity. It is important to complete assignments on time, attend class regularly, and foster a collegial learning environment. Plagiarism and other instances of academic misconduct will result in a failing grade on a respective assignment, exam, or paper. Students should refer to the *University at Buffalo Undergraduate Catalog* and the *University at Buffalo Graduate Catalog* for clarification on the University's policies and procedures.

**Accommodations for Disabilities:**

If you have a disability (physical, learning, or psychological) that impacts your course work please contact the Office of Disability Services (ODS), 25 Capen Hall, (716) 645-2608. ODS will provide you with information and review appropriate arrangements for reasonable accommodation (such as recruiting note-takers, readers, or extended time on assignments). You must bring requests for accommodations for a disability to the professor's attention within the first two weeks of class.

**Writing Centers:**

The University at Buffalo has a number of writing center where students can get assistance with essays, term papers, and thesis projects. Students should contact one of the following if they would like to access these campus resources:

- Undergraduate students can go to the Writing Place for assistance. The Writing Place is located at 209 Baldy Hall, (716) 645-2394; <http://tlc.buffalo.edu/lcwrite.htm> ,
- Graduate students can contact the Graduate Student Association (GSA) about their Editorial Assistance Program. For information about this program go to the GSA office in 310 Student Union, (716) 645-2960; <http://www.gsa.buffalo.edu/services.html> ,

International students can contact the English Language Institute. The English Language Institute is located at 320 Baldy Hall; (716) 645-2077; [elibuffalo@acsu.buffalo.edu](mailto:elibuffalo@acsu.buffalo.edu); <http://wings.buffalo.edu/gse/eli> .

## SYLLABUS

### August 28: Introduction to the Course

### September 4: Foundations of Municipal Public Finance

*Required Readings:*

Brunori: Ch 1, 2, 3, 9

Honadle, Costa and Cigler: Ch 3 (skim Ch 1)

Rubin, Irene S. 1998. "Ch 3: Evolution of Municipal Budgeting and Overview." In Irene S. Rubin, *Class, Tax, and Power: Municipal Budgeting in the United States* (pp 31-59). Chatham, NJ: Chatham House Publishing. **(RESERVE)**

Schoettle, Ferdinand P. 2003. "Chapter 2: What Public Finance Do State Constitutions Allow?" In Sammis B. White, Richard D. Bingham, and Edward W. Hill, Eds., *Financing Economic Development in the 21st century* (pp 27-49). Armonk, New York: M.E. Sharpe. **(RESERVE)**

*Other Activities:*

**Discuss Group Presentation and Financial Analysis**

### September 11: Budget Control and Management

*Required Readings:*

Honadle, Costa and Cigler: Ch 2

Gianakis, Gerasimos A. and Clifford P. McCue. 1999. "Chapter 2: Budget Formats." (pp 19-38) In Gerasimos A. Gianakis and Clifford P. McCue. *Local Government Budgeting: A Managerial Approach*. New York: Praeger Trade. **(RESERVE)**

Gianakis, Gerasimos A. and Clifford P. McCue. 1999. "Chapter 3: Budget Execution." (pp 39-56) In Gerasimos A. Gianakis and Clifford P. McCue. *Local Government Budgeting: A Managerial Approach*. New York: Praeger Trade. **(RESERVE)**

*Other Activities:*

**September 11: One Paragraph Description of the Financial Analysis Topic Due**

### September 18: Participatory Budgeting?

*Required Readings:*

Goldsmith, Arthur A. 2005. "Plebiscites and the Public Purse: U.S. Experience with Direct Democracy." In United Nations Department of Economic and Social Affairs, *Citizen Participation and Pro-Poor Budgeting* (pp 95-112). New York, NY: United Nations. **(RESERVE)**

Leighninger, Matt. 2006. "Sharing the Bulk: Communities Rethink Public Finances and Public Responsibilities." In Matt Leighninger, *The Next Form of Democracy: How Expert Rule is Giving Way to Shared Governance* (pp 195-223). Nashville, TN: Vanderbilt University Press. **(RESERVE)**

Loxley, John. 2005. "Making and Disseminating Alternative Budgets." In United Nations Department of Economic and Social Affairs, *Citizen Participation and Pro-Poor Budgeting* (pp 79-93). New York, NY: United Nations. **(RESERVE)**

Stampfler, Michael. 2005. "Citizen-Based Budgeting." *Public Management*, November: 20-23. **(RESERVE)**

**September 25: Revenue Sources: The Property Tax***Required Reading*

Brunori: Ch 4, 5, 10

Rubin, Irene S. 1998. "Ch 2: Tax Limits, Protests, and Revolts: The Erosion of Consent." In Irene S. Rubin, *Class, Tax, and Power: Municipal Budgeting in the United States* (pp 9-30). Chatham, NJ: Chatham House Publishing. **(RESERVE)**

**October 2: Non-Property Tax Revenue Sources: The Sales Tax, User Fees and Charges***Required Readings:*

Brunori: Ch 6, 7

Peddle, Michael T. and Roger K. Dahlstrom. 2003. "Chapter 5: Development Exactions." In Sammis B. White, Richard D. Bingham, and Edward W. Hill, Eds., *Financing Economic Development in the 21st century* (pp 92-109). Armonk, New York: M.E. Sharpe. **(RESERVE)**

Mikesell, John L. 2003. "Chapter 11: Revenue from User Fees, User Charges, and Sales by Public Monopolies." In John L. Mikesell, *Fiscal Administration: Analysis and Application for the Public Sector, Sixth Edition* (pp. 430-458). Belmont, CA: Wadsworth Publishers. **(RESERVE)**

**October 9: Gambling, Lotteries, and School Finance***Required Readings:*

Schweke: All

McAuliffe, Elizabeth Winslow. 2006. "The State Sponsored Lottery: A Failure of Policy and Ethics." *Public Integrity*, 8.4: 367-379. **(RESERVE)**

Moser, Michele and Ross Rubenstein. 2002. "The Equality of Public School District Funding in the United States: A National Status Report." *Public Administration Review*, 62.1: 63-72. **(RESERVE)**

Jojola, Ted and Paul Ong. 2006. "Indian Gaming as Community Economic Development." In Paul Ong and Anastasia Loukaitou-Sideris, Eds., *Jobs and Economic Development in Minority Communities* (pp 213-231). Philadelphia, PA: Temple University Press. **(RESERVE)**

**October 16: Group Presentations****October 23: Exam**

**October 30: Intergovernmental Revenue***Required Readings:*

Brunori: Ch 8

Honadle, Costa and Cigler: Ch 4

Hawkins, William L. 1999. "CDBG: A Practitioner Looks Back." *Journal of Housing and Community Development*, July/August: 26-32. **(RESERVE)**

Wallin, Bruce. 1996. "Revenue Sharing as a Public Investment: Why Unrestricted Aid to Local Government will Stimulate Municipal Capital Expenditures." *Economic Policy Institute Briefing Paper*, May. **(RESERVE)**

Wood, Len. 1998. "Chapter 11: Where Do We Get the Money." (pp 237-253) In Len Wood. *Local Government Dollars & Sense*. Rancho Palos Verdes, CA: The Training Shoppe. **(RESERVE)**

**November 6: Debt Finance, Capital Budgeting, and Special Districts***Required Readings:*

Bowyer, Robert A. 1992. "Chapter 1: Planners, Policy Makers, and Big Spenders." (pp 1-12) In Robert A. Boyer. *Capital Improvement Programs: Linking Budgeting and Planning*. Chicago: American Planning Association. **(RESERVE)**

Gianakis, Gerasimos A. and Clifford P. McCue. 1999. "Chapter 7: Capital Budgeting and Economic Development." (pp 121-139) In Gerasimos A. Gianakis and Clifford P. McCue. *Local Government Budgeting: A Managerial Approach*. New York: Praeger Trade. **(RESERVE)**

Gianakis, Gerasimos A. and Clifford P. McCue. 1999. "Chapter 8: Debt Management." (pp 141-161) In Gerasimos A. Gianakis and Clifford P. McCue. *Local Government Budgeting: A Managerial Approach*. New York: Praeger Trade. **(RESERVE)**

Peterson, John E. and Thomas McLoughlin. 1991. "Chapter 14: Debt Policies and Procedures." In John E. Peterson and Dennis R. Strachota, Eds., *Local Government Finance: Concepts and Practices* (pp. 263-292). Washington, D.C.: Government Finance Officers Association. **(RESERVE)**

Porter, Douglas R. 1990. "Chapter 9: Financing Infrastructure with Special Districts." In Susan G. Robinson Ed., *Financing Growth: Who Benefits? Who Pays? And How Much?* (Pp. 149-155). Washington D.C.: Government Finance Officers Association. **(RESERVE)**

### **November 13: Tax Increment Financing, Abatements and Other Tax Incentives**

#### *Required Readings:*

- Evans, Mariwyn. 1995. "Making Affordable Housing Work." *Journal of Property Management*, 60.2: 50-53. **(RESERVE)**
- Flavin, Phil. 2003. "The Price of Growth: County Funds New Infrastructure without Using Budget Funds." *The American City & County*, 118.12: 24. **(RESERVE)**
- Haulk, Jake and Eric Montari. 2001. "In Search of a Good TIF: A Case Study of Pittsburgh." *Municipal Finance Journal*, 22.1: 65-77. **(RESERVE)**
- Mooney, James E. 1994. "Creative Efforts at the Local Level for Providing Business Attraction and Expansion Incentives." *Economic Development Review*, 12.4: 52-57. **(RESERVE)**
- Weber, Rachel. 2003. "Chapter 3: Tax Increment Financing in Theory and Practice" In Sammis B. White, Richard D. Bingham, and Edward W. Hill, Eds., *Financing Economic Development in the 21st century* (pp 53-69). Armonk, New York: M.E. Sharpe. **(RESERVE)**

### **November 20: Budget Cuts, Alternative Service Delivery and Boundary Adjustments**

#### *Required Readings:*

- Honadle, Costa and Cigler: Ch 5, 8, 9
- Warner, Mildred and Amir Hefetz. 2001. "Privatization and the Market Role of Local Government: Small Growth in Contracting Underscores Dominance of Service Provision by Public Employees." *Economic Policy Institute Briefing Paper*, December. **(RESERVE)**
- Wood, Len. 1998. "Chapter 5: When You Must Cut." (pp 99-117) In Len Wood. *Local Government Dollars & Sense*. Rancho Palos Verdes, CA: The Training Shoppe. **(RESERVE)**

### **Fall Recess November 21 - 24**

### **November 27: Budget Analysis Tools**

#### *Required Readings:*

- Honadle, Costa and Cigler: Ch 6, 7
- Wood, Len. 1998. "Chapter 7: Where Is the Money Hidden?." (pp 145-167) In Len Wood. *Local Government Dollars & Sense*. Rancho Palos Verdes, CA: The Training Shoppe. **(RESERVE)**

#### *Other Activities:*

**Discussion of Financial Analysis Presentation**

### **December 4: Financial Analysis - Presentation**

#### *Other Activities:*

**Financial Analysis Due**