

## **Local Government Finance & Budgeting**

Lecture: Wednesday 1:00pm - 3:40pm, 108B Hayes Hall  
Instructor: Rob Silverman  
Office: 201K, Hayes Hall  
Office Hours: Monday 2:40pm -3:30pm, Wednesday 11:00pm-12:00pm (and by appointment)  
Phone: 829-2133 x227  
E-Mail: rms35@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 concepts, 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 essays 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. 2007. *Local Tax Policy: A Federalist Perspective, Second Edition*. 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) 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:**

**Essays:** There are three open book essays required during the semester. The essays will test your knowledge of course materials covered during the semester. Essay #1 will be assigned on January 27 and is due on February 3. Essay #2 will be assigned on February 24 and is due on March 3. Essay #3 will be assigned on March 31 and is due on April 7.

**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 April 21. 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 January 27.

**Individual Presentation:** On April 21, each student will present a summary of the findings from his/her financial analysis. The presentation will be discussed in detail during lecture on April 14.

### **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:

ESSAY #1	15 points
ESSAY #2	20 points
ESSAY #3	20 points
FINANCIAL ANALYSIS	40 points
INDIVIDUAL PRESENTATION	5 points

### **Grading Scales:**

<u>Graduate Students / PD539</u>		<u>Undergraduate Students / PD439</u>	
<u>Grade</u>	<u>Total Points</u>	<u>Grade</u>	<u>Total Points</u>
A	96-100	A	96-100
A-	90-95.99	A-	90-95.99
B+	87-89.99	B+	87-89.99
B	84-86.99	B	84-86.99
B-	80-83.99	B-	80-83.99
C+	77-79.99	C+	77-79.99
C	70-76.99	C	74-76.99
D	60-69.99	C-	70-73.99
F	0-59.99	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

### **January 13: Introduction to the Course**

### **January 20: 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)**

### **January 27: 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:*

**Discuss Financial Analysis**

**Essay #1 Assigned**

### **February 3: Essay #1 Due**

*Other Activities:*

**Essay #1 Due**

### **February 10: Revenue Sources: The Property Tax**

*Required Reading*

Brunori: Ch 4, 5, 10

Crompton, John L. and Sarah Nocholls. 2006. "An Assessment of Tax Revenues Generated by Homes Proximate to a Greenway." *Journal of Park and Recreation Administration* 24(3): 103-108. **(RESERVE)**

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)**

*Other Activities:*

**One Paragraph Description of the Financial Analysis Topic Due**

**February 17: 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)**

**February 24: Participation, Lotteries, and School Finance**

*Required Readings:*

Archibald, Robert B. and David H. Feldman. 2006. "State Higher Education Spending and the Tax Revolt." *The Journal of Higher Education* 77(4): 618-644. **(RESERVE)**

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)**

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)**

*Other Activities:*

**Essay #2 Assigned**

**March 3: Essay #2 Due**

*Other Activities:*

**Essay #2 Due**

**March 10: SPRING BREAK**

**March 17: 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)**

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)**

**March 24: 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) (SKIM)**

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) (SKIM)**

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) (SKIM)**

Hackworth, Jason. 2007. "Choosing a Neoliberal Path." In Jason Hackworth, *The Neoliberal City: Governance, Ideology, and Development in American Urbanism* (pp 17-39). Ithaca, NY: Cornell University Press. **(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)**

Whelan, George J. and Michele M. Patrick. 1996. "Tax Exempt Debt in the U.S. Department of Treasury Regulations." In Gerald J. Miller, *Handbook of Debt Management*. New York, NY: CRC Press. **(RESERVE)**

**March 31: Tax Increment Financing, Abatements and Other Tax Incentives**

*Required Readings:*

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)**

*Other Activities:*

**Essay #3 Assigned**

**April 7: Budget Cuts, Alternative Service Delivery and Boundary Adjustments**

*Required Readings:*

Honadle, Costa and Cigler: Ch 5, 8, 9

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)**

*Other Activities:*

**Essay #3 Due**

**April 14: 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**

**April 21: Financial Analysis Due & Financial Analysis Presentation**

*Other Activities:*

**Financial Analysis Due**

**Financial Analysis Presentation**

\*Guest Speakers TBA