# Description: Description: Description: Description: Description: Description: Description: Description: Description: Description: Description: URSI Logo URBS 651—Urban Finance Systems

**Term:** Spring, 2014

**Instructor**: Tony Filipovitch, 126 Morris Hall, 507-389-5035, 507-388-2264 (home)

**Office Hours**: My office hours are posted [here](http://krypton.mnsu.edu/~tony/office%20hours.html).  I am available in my office at those times (or other times by appointment). I also check my e-mail daily (usually several times during the day), and have an answering machine on both my home and office phone.

There is no reason to flounder around, unsure of what “he wants” or confused about what you are doing; and even if everything is going fine with the coursework, there is more to learning than completing the assignments. I encourage you to visit me, in person or at a distance by phone or e-mail, many times during the course.

## Text:

### Robert L. Bland, *A Budgeting Guide for Local Government, 3rd Edition* (ICMA, 2013) ($72.00 from ICMA/$53 member price; if you aren’t a student member of ICMA, this may be the time to do it)

### David Osborne & Peter Hutchinson, *The Price of Government* (Basic Books, 2006) ($14.86 from Amazon)

While there is a textbook for this course, the course is not the text. There will be supplemental readings (see the Course Calendar), as well as extensive reflection and discussion of primary data that you will be collecting.

## Course Objectives:

The purpose of this course is to introduce you to local government accounting, budgeting and finance. You will learn how to read and interpret local government financial statements, procedures for preparing and adopting a budget, capital improvement financing, and sound financial management.

By the end of the term you will be able to:

1. Apply generally accepted accounting principles to local government accounts
2. Acquire an understanding of how the budget functions as a management and policy tool
3. Develop a competency in budget terminology and procedures
4. Become adept at the use of Excel and acquire an understanding of the use of other technology in budgeting

In addition to the specific course outcomes, there are three additional outcomes that are common to most, if not all, courses at MSU:

1.  Develop your creative and *critical thinking* powers in addressing problems and opportunities;

2.  Develop personal *communication skills*, both oral and (especially in this course) written;

3.  Improve your ability to work and interact with others in a *team approach*.

## Assignments:

### 1. Class Activities

You are expected to do the readings assigned from the text and linked to the course calendar, and be prepared to discuss of them by the assigned date. The class time will be primarily devoted to discussion and problem-solving; I will not be lecturing on the assigned reading.

### 2. Select an Organization

### Throughout the course, you will be applying the concepts you are learning to one organization with which you are familiar, or with which you can become familiar. This may be a city in which you are currently or have previously been employed, it might be your home city, it might be an RDC, or…. You may want to secure a mentor in the organization from whom you can get information and with whom you can discuss what you are learning.

### 3. Writing Assignments:

## Class Participation: I will provide study questions for each of the first 8 weeks (except the first day of class). You must send your responses to the study questions to me by noon of the class day. Class participation will be worth 10% of your grade.

## Budget Analysis Exercises: The syllabus lists four budget analysis exercises using Excel spreadsheets (Budget Trend analysis, Revenue Forecasting, and Budget Monitoring, and CIP Game). You are to follow the instructions for each exercise, and write a memo which will have two sections: The first will be your solution to the problem presented by the exercise. The second will be your reflection on the exercise—what you learned, what surprised you, what went the way you initially thought it would. (10 pts. apiece).

## Class presentation: You will prepare a powerpoint presentation to the class (60 minutes—explanation and application/class activity) on one of the strategies proposed by Osborne & Hutchinson for setting the price for government. In addition to explaining the key concepts of the strategy, you should also provide an exercise (in-class or in preparation for class) which will give your classmates an opportunity to practice what you are preaching. When you explain the strategy, be sure to relate it to concepts from the *Budgeting Guide*, as appropriate. (25 pts.)

## Symposium: The last class meeting will be a Symposium—an open discussion—on the topic of what changes you would make in the organization you have been studying, were you in charge. While each of you will, of course, present your own ideas for your organization, you will also be expected to reflect on what your classmates might do with their organizations. You will write a summary analysis of and recommendations for your organization and submit it to me by e-mail by May 5. Your mentor might also be interested in receiving a copy of your paper. Your contribution to the Symposium and the paper that results from it will be worth one quarter of your grade (25 pts.).

## Course Calendar

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| **Week of** | **Topic** | **Reading from Text** | **Notes/Additional Readings** |
| 1/13 | Introduction |  |  |
| 1/20 | Reading the Financials |  | “[Interpreting Local Government Financial Statements](http://www.gfoa.org/downloads/InterpFinStatementsGFR_jun07.pdf)”; MN [Chart of Accounts](http://www.osa.state.mn.us/other/ctas/docs/ctas_coa.pdf) |
| 1/27 | Revenue Sources | BG Ch. 1 | Tannewald; [Budget Trend Analysis](http://bookstore.icma.org/FreeDocs/43470/Excel_Exercise_1_Instructions.doc) |
| 2/3 | The Budget Cycle | Ch. 2 | Key; Michel; [Revenue Forecasting](http://bookstore.icma.org/FreeDocs/43470/Excel_Exercise_2_Instructions.doc) |
| 2/10 | Managing Budget Process | Ch. 3 | Lindblom; Johnson |
| 2/17 | Implementing the Budget | Ch. 4 | [Budget Monitoring](http://bookstore.icma.org/FreeDocs/43470/Excel_Exercise_3_Instructions.doc) |
| 2/24 | Accountability | Ch. 5 |  |
| 3/3 | Improving Program & Budget Performance | Ch. 6 | [GFOA Awards Criteria](http://www.gfoa.org/downloads/BudgetCriteriaExplanations_000.pdf) |
| 3/10 | *Spring Break* |
| 3/17 | Capital Budgets | Ch. 7 | CIP Game |
| 3/24 |  | OH  |  |
| 4/7 |  |  |  |
| 4/14 |  |  |  |
| 4/21 |  |  |  |
| 4/28 | *Symposium* |
|  | *Finals Week* |

### Attendance & Class Participation:

Students play an important role in educating and challenging each other. This can only happen if there is consistent attendance. I expect you to attend, and I may take the class roll. Unexcused absence (*prior* notification is required—even if I am not available, voice mail and e-mail always are) can result in loss of points toward one’s grade. You are paying for this class—make sure to get your “money’s worth.”  Most importantly, this is an excellent foundation of knowledge for future activities, and it is a chance for you to learn, teach, and grow with others.

### Grading:

Class Participation 10

4 Budget Exercise projects @ 10 pts. 40

Class Presentation 25

Symposium Paper 25

The final grade may be based on a curve, but students can expect at least an A if they achieve 90, a B with 80, etc.

### Other Matters:

All assignments are due on the assigned date. Partial credit may be given for assignments that are less than one week late, unless other arrangements have been made *in advance*.

Written reports are expected to be free of grammatical, spelling, and content errors.  They should be submitted in typewritten, standard formats (APA, MLA, URSI Style Sheets). You must familiarize yourself with the University’s [Academic Honesty Policy](http://www.mnsu.edu/supersite/administration/basic-stuff/policies.html#ah). I encourage you to draw on the ideas of others—but you must also identify when you do so (you *gain* “brownie points” for citing the work of others!). Plagiarism is a serious breach of academic behavior and will result in an F for the course.

I will help you in whatever manner humanly possible.  However, once the semester is over, there is not a great deal I can do.  If there is something that you don’t understand, are having problems with, or need help on, please get in touch with me as early as possible.

Every attempt will be made to accommodate students with disabilities.  If you area student with a documented disability, please contact me as early in the semester as possible to discuss the necessary accommodations, and/or contact the Disability Services Office at 507-389-2825 (V) or 1-800-627-3529 (MRS/TTY).

## Bibliography

Robert Tannenwald, “Are State and Local Revenue Systems Becoming Obsolete?” *New England Economic Review*, No. 4, 2001, pp. 27-43

V.O. Key, “The Lack of a Budgetary Theory,” *American Political Science Review* 34 (December 1940): pp. 1137-40.

R. Gregory Michel, "The Budget Analyst: Skills, Training, and Compensation." *Government Finance Review*. December 2002, pp. 18-21.

Charles E. Lindblom, “The Science of ‘Muddling Through,’” *Public Administration Review* 19 (Spring 1959): 79-88.

Eric R. Johnson, “Recommended Budget Practices: Incorporating Stakeholders Into the Process,” *Government Finance Review* 14 (August 1998): 15-18.

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