

Indiana University
O'Neill School of Public and Environmental Affairs

Introduction to Public Budgeting and Finance

Spring 2022, V186
Tuesday and Thursday
9:45am – 11:00am
PV169
Section # 9868

Phil Lehmkuhler

Office Location: Mailbox SPEA 412
Phone/Text: Cell (Verizon) 317-431-1733
E-mail address: **Use Canvas email only**

Office Hours:

Office Hours are available upon request
Individual meetings through IU Zoom available upon request

Undergraduate Teaching Assistant
Olivia Knarr- Use Canvas Email

Course description

The public and non-profit sectors play important roles in society. Together, they provide resources and produce goods and services that are crucial for a well-functioning society. However, fulfilling this role requires solid plans that encompass what will be produced, how it will be financed, and how it will be accounted for. This course explores these questions.

We first explore the budgetary process that governs spending (which goods and services will be financed). Next we walk through the various revenue sources that are used to finance the goods and services. Finally, we study the accounting documents that are used to record financial activities in the public and non-profit sectors. The course will use a lot of practical applications including real budgets, tax forms and accounting documents to convey useful information to students. Comparisons to the for-profit sector are made throughout the class to emphasize some of the key features of the public sector.

Course context

This course will set the stage for your SPEA degree. As a graduate of SPEA, we expect every student to have a solid understating of how revenues are sourced and how expenditures are determined in the public and non-profit sectors. This course is the starting point for acquiring this knowledge, and it will play a critical role in your ability to get through upper level courses.

Learning outcomes

Students should be able to do the following at the end of this course:

1. Have a working knowledge of how to use spreadsheets.
2. Understanding of the Federal Reserve System
3. Describe the budgetary process.
4. Identify and describe the main types of spending functions in the public sector.
5. Identify and describe the main revenue sources in the public and nonprofit sectors.
6. Identify and distinguish between debt and deficit, and why both are a reasons for concern.
7. Identify and read public and nonprofit sector financial documents.
8. Demonstrate an understanding of the basic tools of financial analysis.

Course Materials

Required text: E-text for V186 will be used for this course. Fiscal Administration by John Mikesell- 10th Edition. Additional readings may be given out in class and/or posted on Canvas.

Teaching and Learning methods

The course will be delivered via face-to-face lectures and your completing the assigned readings. Your understanding of the course material will be determined via assignments and exams. Class recordings can be found in Canvas Kaltura Media Gallery.

Canvas Announcements

Important class announcements are distributed through Canvas email only. You should check your Canvas inbox regularly. The syllabus and course schedule may be subject to change throughout the semester. Any changes will be announced online and through Canvas email.

Technology Use

This course will utilize Canvas. Students may use electronic technology in class that is specifically needed for the class such as a laptop for notetaking. Texting, headphones, earbuds, phone calls, internet searches are not permitted as they distract other students. Respondus Lockdown Browser will be used on all exams. You will need a computer to take the in-class exam.

GRADES AND GRADING POLICY

Your final course grade will be based on the following components:

Assignments (5 of 6)	35%
Exam 1	20%
Exam 2	20%
<u>Final Exam</u>	<u>25%</u>
<i>Total</i>	<i>100%</i>

Grading Scale

89.4 – 86.5 = B+	100 – 92.5 = A	92.4 – 89.5 = A-
79.4 – 76.5 = C+	86.4 – 82.5 = B	82.4 – 79.5 = B-
69.4 – 66.5 = D+	76.4 – 72.5 = C	72.4 – 69.5 = C-
59.4 lower F	66.4 – 62.5 = D	62.4 – 59.5 = D-

Assignments

Assignments will be taken and submitted through Canvas for grading. There will be six assignments and only the highest five assignment scores will be used. Assignments must be submitted on or before the date they are due. You may miss one (1) assignment without any penalty. If you miss more than one (1) assignment for any reason, you will lose points and it will lower your course grade. Your first incomplete (missed) assignment will count as your dropped assignment and any additional missed assignments will lower your course grade. You are strongly advised to submit 5 of your 6 assignments. Any late assignments will automatically be deducted 10% the first day it is late. You will lose an additional 10% for each additional day it is late. Each additional day includes weekdays and weekends. Once your assignment is submitted to Canvas it will be graded.

Exams and Final Exam

There will be two exams and a final exam, which will cover all lecture material assigned prior to the exam. The final exam will be comprehensive. The exams may consist of multiple-choice, true/false, short answer or any combination. A calculator may be needed for some questions. You must make a compelling case why you are unable to take an exam. Interviews and extracurricular activities are not compelling reasons. Failure to do so will result in an F for the exam.

O’Neill School expectations of civility and professional conduct

The O’Neill School takes matters of honesty and integrity seriously because O’Neill is the training ground for future leaders in government, civic organizations, health organizations, and other institutions charged with providing resources for the public, and for members of society who are vulnerable and who are lacking in power and status. Precisely because O’Neill graduates tend to rise to positions of power and responsibility, it is critical that the lessons of honesty and integrity are learned early.

O’Neill requires that all members of its community – students, faculty, and staff – treat others with an attitude of mutual respect both in the classroom, online and during all academic and nonacademic activities outside the classroom. A student is expected to show respect through behavior that promotes conditions in which all students can learn without interruption or distraction. These behaviors foster an appropriate atmosphere inside and outside the classroom:

- Students are expected to attend class regularly and to be prepared for class.
- Students must be punctual in their arrival to class and be present and attentive for the duration of the class. Eating, sleeping, reading the newspaper, doing work for another

class, wandering in and out of the classroom, and packing up or leaving class early are not civil or professional behaviors.

- Students must abide by the course policy regarding use of electronic devices in the classroom.
- Students must responsibly participate in class activities.
- Students must address faculty members, other students, and others appropriately and with respect, whether in person, in writing, or in electronic communications.
- Students must show tolerance and respect for diverse nationalities, religions, races, sexual orientations, and physical abilities.
- Students must not destroy or deface classroom property nor leave litter in the classroom.
- Students should mute their microphones on online courses so as not to disrupt online discussions and lectures.

Counseling and Psychological Services

For information about services offered to students by CAPS:
<http://healthcenter.indiana.edu/counseling/index.shtml>.

Disabilities and Special Needs

Please let the instructor know by the first week of classes if you have any special needs. If you are a person with a disability and anticipate needing any type of accommodation in order to participate in this class, please advise me and make appropriate arrangements with Disability Services (855-7578).

Sexual Harassment

As your instructor, one of my responsibilities is to help create a safe learning environment on our campus. Title IX and our own Sexual Misconduct policy prohibit sexual misconduct. If you have experienced sexual misconduct, or know someone who has, the University can help.

If you are seeking help and would like to talk to someone confidentially, you can make an appointment with:

- i. The Sexual Assault Crisis Service (SACS) at 812-855-8900
- ii. Counseling and Psychological Services (CAPS) at 812-855-5711
- iii. Confidential Victim Advocates (CVA) at 812-856-2469
- iv. IU Health Center at 812-855-4011

For more information about available resources:

<http://stopsexualviolence.iu.edu/help/index.html>. It is also important to know that federal regulations and University policy require me to promptly convey any information about potential sexual misconduct known to me to our campus' Deputy Title IX Coordinator or IU's Title IX Coordinator. In that event, they will work with a small number of others on campus to ensure that appropriate measures are taken and resources are made available to the student who may have been harmed. Protecting a student's privacy is of utmost concern, and all involved will only share information with those that need to know to ensure the University can respond and assist. I encourage you to visit <http://stopsexualviolence.iu.edu/help/index.html> to learn more.

Academic Misconduct and General Academic Policies

Cheating and plagiarism are forms of academic dishonesty that cannot be tolerated in university education. Definitions of various types of academic misconduct and University policies for dealing with violations are included in the *Code of Student Ethics*. Please refer to <http://studentcode.iu.edu/responsibilities/academic-misconduct.html> for more information. Any student found cheating or plagiarizing will receive a failing grade for the course.

Note Selling Several commercial services have approached students regarding selling class notes/study guides to their classmates. Selling the instructor's notes/study guides in this course is not permitted. Violations of this policy will be reported to the Dean of Students as academic misconduct (violation of course rules). Sanctions for academic misconduct may include a failing grade on the assignment for which the notes/study guides are being sold, a reduction in your final course grade, or a failing grade in the course, among other possibilities. Additionally, you should know that selling a faculty member's notes/study guides individually or on behalf of one of these services using IU email, or via Canvas may also constitute a violation of IU information technology and IU intellectual property policies; additional consequences may result.

Materials The faculty member teaching this course holds the exclusive right to distribute, modify, post, and reproduce course materials, including all written materials, study guides, lectures, assignments, exercises, and exams. While you are permitted to take notes on the online materials and lectures posted for this course for your personal use, you are not permitted to re-post in another forum, distribute, or reproduce content from this course without the express written permission of the faculty member. Any violation of this course rule will be reported to the appropriate university offices and officials, including to the Dean of Students as academic misconduct.

Non-Discrimination

Indiana University pledges itself to continue its commitment to the achievement of equal opportunity within the university and throughout American society as a whole. In this regard, Indiana University will recruit, hire, promote, educate, and provide services to persons based upon their individual qualifications. Indiana University prohibits discrimination on the basis of age, color, disability, ethnicity, sex, gender identity, gender expression, genetic information, marital status, national origin, race, religion, sexual orientation, or veteran status.

Student Advocates Office

The Student Advocates Office is available to assist students in resolving personal and academic problems so that they may maintain progress toward earning a degree. Their mission is to help student's foster skills that will positively influence your academic experience as well as your life after IU. For more information: **Student Advocates Office**, Eigenmann Hall-West 225, 1900 E. Tenth Street, Bloomington, IN 47406, call: (812) 855-0761 or email advocate@indiana.edu.

Emergency Preparedness

Emergency situations will be covered in class and sent to you through Canvas email. If you have any questions, please contact me or go to <https://protect.iu.edu/education/faculty-quick-guides.html>

Accommodations for Religious Observances

The University Policy for Accommodations for Religious Observances require students to inform me of any missed classes due to religious accommodations before the end of the second week of the course. I will make any accommodations possible when notified accordingly.

Weekly Schedule

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Chapter</u>
1	Jan. 11	Introduction/Syllabus	Introduction
	Jan. 13	Lecture	
2	Jan. 18	3 Sector Models and Institutional Failures	1
	Jan. 20	Finish chapter 1	1
3	Jan. 25	Budget Type and Institutions	2 except 80-98
	Jan. 27	Online Public Finance Review	
4	Feb. 1	Budget Revenues: A Broad Overview	13
	Feb. 3	<u>Assignment 1 Overview/ Q & A</u> Assignment 1 is due February 4 th	
5	Feb. 8	State & Local Government Budgets	5 (pages 221-251)
	Feb. 10	<u>Assignment 2 Overview/ Q & A</u>	
6	Feb. 15	Budget Methods and Practices	4
	Feb. 17	Review for Exam 1 Assignment 2 is due February 18 th	
7	Feb. 22	Exam 1	8
	Feb. 24	Criteria for Tax Analysis	
8	Mar. 1	Major Tax Structures: Property Taxes	11
	Mar. 3	Other Revenue Sources: Assignment 3 is due March 4 th	12
9	Mar. 8	Major Tax Structures: Income Taxes	9
	Mar. 10	<u>Assignment 4 Overview Q&A</u>	
10	Mar. 15	<u>SPRING BREAK</u>	
	Mar. 17	<u>SPRING BREAK</u>	
11	Mar. 22	Debts, Deficits and Unfunded Liabilities	
	Mar. 24	<u>Assignment 5 Overview Q&A</u>	
12	Mar. 29	Major Tax Structures: Consumption Taxes	10
	Mar. 31	Review for Exam 2 Assignment 4 is due on April 1 st	
13	Apr. 5	Exam 2	14
	Apr. 7	Intergovernmental Fiscal Relations	
14	Apr. 12	<u>Assignment 6 Overview/ Q&A</u>	
	Apr. 14	Federal Reserve- Video- See Canvas modules	
15	Apr. 19	Debt Administration	15
	Apr. 21	Types of Accounting/Financial Statements Assignments 5 and 6 are due April 22nd	2 (pages 80-98)
16	Apr. 26	Financial Analysis	
	Apr. 28	Review for Final Exam	
17	May 3rd	Final Exam – 8:00 – 10:00AM Room PV169	