Course objectives

The foreword for the fifth edition of *Management Policies in Local Government Finance* (the textbook for this seminar) does a good job explaining the importance that a sound financial management has when governments experience increasing fiscal stress:

> The recent, precipitous loss of federal and state revenues has brought into sharp focus the need for sound local financial management. Restructuring [the US] economy, as globalization becomes a reality, is possibly the most visible challenge for local economies…but infrastructure needs and the sheer complexity of management in the twenty-first century contribute mightily to a high-risk environment that demands intelligence, foresight, decisiveness, and political acumen. The need for strong leadership in financial management has never been greater”

This course intends to equip students with the necessary tools to analyze the financial condition of a government. It is also designed to encourage an informed discussion of current problems in state and local finances, as well as possible avenues of policy reform.

The contents of the seminar will serve to fulfill the objectives described in the 2008-2009 California State University Graduate Bulletin: *Economics and politics of the public sector. Theories of public expenditure analysis and revenue generation. Issues of ethics and efficiency in government financial policy* [p335]

Textbooks

*Required*


*Supplemental*
The professor will use the following books as references to prepare each session. Purchasing them is not mandatory. However, the student must be aware that if the material is used in class, it is “fair game” for any exam or assigned project.

- ICMA; “Evaluating Financial Condition: A Handbook for Local Government” (available on reserve at the SDSU library)

<table>
<thead>
<tr>
<th>Graded activity</th>
<th>Percentage of final grade</th>
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<tbody>
<tr>
<td>Attendance and participation</td>
<td>10%</td>
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<tr>
<td>Policy briefing</td>
<td>15%</td>
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<tr>
<td>Assignments</td>
<td>20%</td>
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<tr>
<td>Term paper (Fiscal condition analysis)</td>
<td>55%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100 %</strong></td>
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1. Attendance and participation

Given that this class is a seminar and not a lecture, the professor expects students to participate actively in class discussion. Class attendance and participation are essential to obtaining a good grade.

The student must be aware that additional readings will be assigned over the course of the semester. These readings will be used as references for class discussion. The student will be informed with ample time so that he/she can plan accordingly.

2. Policy briefing

Each student is expected to prepare a policy briefing on any of the topics covered in this syllabus (or a topic that the professor approves) and to lead a discussion on the subject during class.

Learning outcome: This assignment seeks to encourage students to go beyond the materials discussed in class and get immersed in the most current debates on financial management. This assignment will also allow seminar participants to start compiling a reading list that present and future PA650 students will use in the preparation of their qualifying exams.

Details about this assignment will be discussed in class.

What if this is your first experience with financial management and you don’t know where to begin? (a) Check the list of references located at the end of each chapter in your textbook; (b) use some of the terms mentioned in the course schedule and do a web search (example: look for “debt management” in www.scholar.google.com); (c) find topics in the newspaper; (d) talk to your professor.

3. Short assignments
There are four (4) scheduled assignments in the syllabus for this seminar. Each assignment builds on topics discussed in class and is intended to provide the student with hands-on experience in current issues related to financial management. The professor will explain details about each assignment when assignments are released.

4. Group project

Students will prepare a comprehensive financial condition analysis for a city or county of their choice. There are two (2) scheduled sessions in the syllabus where details about the term paper will be explained. **Students will be given the option to in teams (4 students maximum) or individually.**

Students working in teams agree to distribute the work equally and make every effort to deliver a product of excellent quality. Working in teams will give students the opportunity to exchange ideas and increase their learning experience.

Learning outcome: Students will gain an understanding of the type of analyses that financial analysts working for state and local governments (and sometimes people working for the private sector) must carry out as part of their duties. The project will enable students to apply concepts learned in class, and to use publicly available financial information to calculate indicators used in local government financial management.

Samples of financial condition analyses from previous semesters will be provided thought the semester.

**Special Accommodations**

Students who need special accommodations should contact me privately to discuss specific accommodations for which they have received authorization. If you have a disability, but have not contacted Student Disability Services at 619-594-6473 (Calpulli Center, Suite 3101), please do so before making an appointment to see me.

In addition, I will make every effort to accommodate difficulties in attendance arising from religious observance. You are asked to bring any possible conflicts to my attention as soon as possible. Students should not expect, if they do poorly on an assignment/exam, to claim at that time the need for an accommodation. This statement is to preclude that problem, and allow people with a need for accommodations to be treated fairly and appropriately.

**Grading criteria**

The following is the grade distribution that will be used to compute your grades:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>A</td>
<td>95-100</td>
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<tr>
<td>A-</td>
<td>90-94.9</td>
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<tr>
<td>B+</td>
<td>87-89.9</td>
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<tr>
<td>B</td>
<td>84-86.9</td>
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<tr>
<td>B-</td>
<td>80-83.9</td>
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<tr>
<td>C+</td>
<td>77-79.9</td>
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<tr>
<td>Week (Date)</td>
<td>Topic and required readings</td>
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| 1 (Jan. 23) | **Course Introduction:** why is this course relevant for a MPA student?  
**Required:**  
• Syllabus;  
• California Budget Project (2012)  
• A&S, chapter 1 |
| 2 (Jan. 30) | **Financial Management in Local Governments**  
**Required:**  
• A&S, chapters 2, 3 (skim only) and 4;  
• Levine: *Cutback Management in an Era of Scarcity: Hard Questions for Hard Times*;  
• Proctor (*Six Steps for Communities in Crisis*).  
**Policy briefing assignment explained** |
| 3 (Feb. 6) | **Learning about a City’s fiscal health:** Financial condition analysis (1)  
*** This is a very important session ***  
**Required:**  
• Wang, chapter 12;  
• Brown, *A 10-point test of financial condition*  
**Assignment 1 (a simple FCA) released.**  
Recommendation: start collecting the CAFRs for the city that will analyze. |
| 4 (Feb. 13) | **Special session: Conducting research on local government finance**  
*Thesis Proposal Defense: Adam Atamian (School of Public Affairs, MPA program)*  
*Thesis title: Assessing the Effects of State Tax Expenditures on Local Government Finance: An Impact Analysis of Enterprise Zones* |
| 5 (Feb. 20) | **Understanding Budget Policy (and Politics)**  
**Required:**  
• A&S, chapter 7;  
• Independent Budget Analyst (IBA) (2012)  
• Rubin, Irene; *The Politics of Public Budgets* (chapter 1) |
**Recommended readings**
(Additional references will be added during the semester)