

Public Fiscal Management
GPA 8030
Spring 2006
Bush Library - Room 220

Thursday, 6 to 9 PM
February 2 to May 11

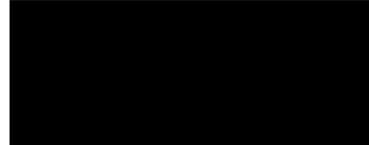
I. Instructor Information

Home

Mark Misukanis, Ph.D.



Work



E-mail mmisukanis01@hamline.edu

Office Hours: By Appointment

II. Course Texts and Related Web Site

Economics of State and Local Government

Henry Raimondo

Praeger, 1992

Other readings will be assigned periodically.

www.leg.state.mn.us/lrl/links/links.htm

This site has links to many other federal, state and local fiscal web sites.

III. Course Description

This is a one-semester course in public fiscal management. This phrase, the same as the title of the course, is somewhat vague. The course is not a class in the economics of public finance, but economic concepts are an important component. It is not a public sector management class, though some administrative processes will be discussed. It is not a finance class, but we will spend substantial time on public budgets with some accounting thrown in. Finally, the course is not one in political science, but it will include a discussion of how politics influences policymaking. Politics is an essential component underlying the current public policies in place and influencing how these policies are changed. The course combines aspects of all four disciplines.

This course will provide you with a brief foundation in economics necessary to understand public finance concepts. You will acquire an understanding of tax principles and policy and real world tax and spending issues. We will spend some time with the budget process so that you will understand how governmental fiscal policy is translated into real programs. We will analyze recent budget history to understand the interplay of politics and spending.

The course will mainly focus on state and local governments using Minnesota as the primary didactic device. But we will also discuss the federal government's function and activities. The federal government is relatively limited in state and local finances, but it does play an important role in some key programs. It is also a fundamental actor in the broader framework of federalism

IV. Outcomes

By the end of the course students are expected to have mastered the certain outcomes. You will:

1. Understand key economics concepts influencing public fiscal management.
2. Understand the rationale for public sector involvement in social problems.
3. Understand public choice issues and their impact on policy discussions.
4. Understand the principles of taxation.
5. Understand state and local revenue structures.
6. Understand state and local expenditure patterns.
7. Improve your analytical skills.

V. Activities and Expectations

Students have four central responsibilities. First, students are expected to attend all classes and come fully prepared to engage in class discussion by reading and giving thought to the assigned materials. If you are noticeably silent, you will be called on often. Second, each student will be expected to prepare, present and defend an argument on one side or the other of a specific issue. This issue will be relevant to the material covered in the course. This process will be described on the first day of class. Third, each student will be expected to prepare a research paper on a chosen program. Section VII describes the requirements for the paper. Finally, there will be a final consisting of a single question that will ask you to summarize the knowledge you have acquired in the previous 13 weeks.

Students may expect the following from me. I will come each week prepared to present the material in an intellectually professional and competent manner. I will be available to assist you with any questions you have during the term on the content of the course or the papers and other project. I will be respectful of you as students and individuals. Finally, and most importantly, I will challenge you throughout the course to confront your personal biases, change your perspective, and think about the world in a different way.

VI. Student Evaluation

Course grades will be based on how well students meet all four responsibilities outlined above. I do not assign any specific weight to any one requirement since this suggests some numerical accuracy that does not exist and would be misleading. While I tend to focus more on the research paper since it is the most significant record of your efforts, I feel each of the responsibilities is important to maximize your intellectual gain from the course.

VII. Research Papers

Research papers for this course are a bit more structured than you may have experienced in the past. The role of the paper is to allow you to combine the conceptual and applied knowledge you learn in the class with a real world example in your daily life.

The paper is built around a public program of your choice. This may be a program that you work with daily, that you have a personal interest in, or that you choose randomly. What constitutes a program is not always clear so you will spend the first two weeks identifying your choice. I will certainly be

available to help and advise you on your choice.

The paper must at least contain or address the following points:

- 1) A description of the program including history and major changes.
- 2) A description of the public problem apparently addressed.
- 3) An argument for the public sector rationale- Why should the government do this?
- 4) A discussion of federalism- How does the program fit into the federalist framework?
- 5) A discussion of how financing and spending principles are met.
- 6) A discussion of budget aspects including revenues and spending components.
- 7) An analysis of program outcomes and effectiveness.

While I don't ascribe to a certain length for a research paper it seems difficult to do an adequate job in less than 12 to 15 pages. Aside from addressing the points indicated, papers will be evaluated on the strength of the reasoning and the clarity of the writing.

VIII. Course Outline and Assignments

Conceptual Stage- Weeks 1 to 5

- Feb 2 Class Organization.
Graphical Analysis
Economics- A Primer for Public Fiscal Management
Class Handouts
Readings: Raimondo Chapter 1
- Feb 9 The Public Sector- A Description and Rationale
Readings: Raimondo, Chapter 4
- Feb 16 Federalism and Public Choice
Readings: Raimondo, Chapters 3 and 5
Topic Presentation 1
Program Choice Deadline
- Feb. 23 The Demand for Public Services and the Regional Economic Structure
Readings Raimondo, Chapter 2
Topic Presentation 2
- Mar 2 The Principles of Taxation and Tax Incidence Analysis
Readings: Raimondo Chapter 7
Topic Presentation 3

Applied Stage- Weeks 6 to 13

- Mar 9 The Federal Government; Its Role and Tax and Spending Trends
State Spending and Taxation: An Overview
Topic Presentation 4

- Mar 16 The State Budget Process- Process and Setting Priorities
Readings: Raimondo Chapter 12
Topic Presentation 5
- Mar 23 Recent State Budget History- An Analysis
Topic Presentation 6
- Apr 6 Income and Sales Taxes - Structure and Issues
Readings: Raimondo, Chapters 9 and 10
Draft of final research paper due by this date.
Topic Presentation 7
- Apr 13 Other State Revenue Sources- Structure and Issues
Readings: Raimondo, Chapter 11
Topic Presentation 8
- Apr 20 Local Spending and Taxes- An Overview
Readings; Raimondo Chapter 8
Topic Presentation 9
- Apr 27 The Property Tax – Structure and Analysis
Topic Presentation 10
- May 4 Intergovernmental Grants- Municipal and School District Funding
Readings: Raimondo Chapters 6 and 13
- May 11 Course Recap- Take Home Ideas
Course Final
Papers Due