

Maryland in Europe Graduate Programs  
Bowie State University  
**Public Budgeting**  
**PUAD 524**  
**Term 3 (Jan 20<sup>th</sup> – March 14<sup>th</sup>, 2003)**  
**Weekends, 25/26 Jan, 8/9, 22/23 Feb, 8/9 Mar 2003**  
**Stuttgart-Vaihingen-Grad**  
**9:00 to 16:00**  
**\*\*Syllabus posted 02Jan03 – Draft Version\*\***

**Instructor:** Dr. Mehdi Mohaghegh  
**Mailing Address:** UMUC, UNIT 29216, APO AE 09102  
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**Consultation:** 1/2 Hour before the beginning of each class

**Course Description:** This course covers concepts, principles, and practices, and their specific application to the development of resources in support of programs and the allocation of these resources against the demands at national, state, and local levels of government. The student evaluates performance budgeting, PPBS, and zero-base budgeting.

*Prerequisites: Undergraduate economics and American political science or American government, and PUAD 501, equivalents, or permission of the instructor.*

**Course Goals/Objectives:**

**Goals:** Upon completion of the course, participants should have an understanding of:

1. The political, economic and managerial implications of budgeting in the public sector
2. The role of reform in the budgeting process
3. The different budget types
4. The different issues in budgeting
5. The intergovernmental fiscal relations

**Objectives:** At the conclusion of this course the student will be able to:

1. Analyze the implications of private preferences for making social decisions.
2. Evaluate the size and growth of government expenditure
3. Critique the budget process in the U.S.
4. Apply cost-benefit analysis to determine the relative merits of government capital expenditure projects
5. Assess the economic effects of government revenue options and their structures and administration
6. Develop a better idea of how governments administer their debt, working capital, and pension funds

7. Explain the role of the federal budget as a policy statement, as a political document, as fiscal policy, and as an administrative tool
8. Assess the effects of the business cycle, inflation, and demographic changes on the budget

Required Text:

**1. Mikesell, John, *Fiscal Administration: Analysis and Applications for the Public Sector, Sixth Edition.* Wadsworth/ Thomson Learning (Belmont, CA: 2003)**

**2. American Psychological Association. (2001). *Publication Manual of the American Psychological Association, 5th Edition.* Washington DC: Author**

**Supplementary Readings:**

Students are urged to keep abreast of current events in the economy. Periodicals such as The Wall Street Journal, Business Week, and the Business Section of New York Times are recommended. To obtain data on all the economic and financial activities of the government go to [www.whitehouse.gov](http://www.whitehouse.gov) and click on Gateway to Government, then click on the President's Cabinet and the home pages of the Treasury Department and the U.S. Department of Commerce. The other useful web sites are:

[www.access.gpo.gov/usbudget/index.html](http://www.access.gpo.gov/usbudget/index.html)

[www.cbo.gov](http://www.cbo.gov)

[www.omb.gov](http://www.omb.gov)

[www.ustreas.gov](http://www.ustreas.gov)

**Recommended Journal:**

*Public Finance and Management* is an international interdisciplinary peer-reviewed journal devoted to increasing knowledge of public finance and administration through policy analysis, empirical research, and theoretical inquiry. It aims to publish articles that will stimulate both scholars' and practitioners' interest in public finance and public management. It has made some articles available from 2001 and 2002. They are at [http://www.spaef.com/PFM\\_PUB/](http://www.spaef.com/PFM_PUB/)

**Grading Information:** Grades for this course will be assigned as follows:

A	92% +	C	70 – 79%
B	80 – 91%	F	Below 70% F(a) regular or non-attendance F(n)

Grades of Incomplete or Withdrawal are governed by Maryland in Europe policies. Please refer to UMUC Maryland in Europe Graduate Catalog, available in your local Education Center or online at [http://www.ed.umuc.edu/visit/pubs/catalog/grad\\_02-03.pdf](http://www.ed.umuc.edu/visit/pubs/catalog/grad_02-03.pdf), for further details.

**Course Requirements:**

The students are expected to be prepared to:

1. Discuss required readings
2. Discuss assigned cases and exercises
3. Successfully complete two examinations
4. Submit a term project on one of the topics listed below

**Grading distribution:**

Midterm Examination:	30%
Presentation	10%
Final Examination:	35%
Project:	25%

**Project Description:**

Each student is expected to write a paper on **one** of the following topics. The paper should be 18 pages long and should include a cover page, a table of contents and a page at the end for the references cited. Use double spacing and 12 fonts in typing your paper and turn it in no later than March 6<sup>th</sup>.

1. A Critical Evaluation of the Budget Process and Politics of Budgeting in the U.S.
2. Different Budget Classifications in the U. S. and the Reforms
3. A Critical Evaluation of Using Property Taxes in Financing Public Education in the U.S.

**Course Schedule:**

Module	Topics	Assigned readings/assignments due
1	The Economic Basis for Government Activity and the Logic of the Budget Process	Chapters 1 and 2
2	Budget Structures and Institutions	Chapter 3
3	Budget Methods and practices	Chapter 4
4	Budget Classifications and Reform	Chapter 5
5	Capital Budgeting and Public Infrastructure Investment	Chapter 6
6	Criteria for Evaluating Revenue Options	Chapter 7
7	Income Taxes	Chapter 8
8	Mid-term Exam and Student Presentations	Mid-term Exam From Chapters 1-8
9	Taxes on Goods and Services	Chapter 9

10	Property Taxes	Chapter10
11	Revenue from User Fees, User Charges, and Sales by Public Monopolies	Chapter 11
12	Collecting Taxes	Chapter 12
13	Revenue Forecasts, Revenue Estimates, and Tax Expenditure Budgets	Chapter13
14	Intergovernmental Fiscal Relations. Also, Debt Administration	Chapters 14, 15
15	Cash Management and Employee Retirement Funds	Chapters 16
16	Presentations and Final Exam	Final Exam Will be from Chapters 7-16

**Academic Policies:** Please refer to the UMUC Maryland in Europe Graduate Catalog, available online at [http://www.ed.umuc.edu/visit/pubs/catalog/grad\\_02-03.pdf](http://www.ed.umuc.edu/visit/pubs/catalog/grad_02-03.pdf) or from your local Education Center, for information on the following:

***Academic Integrity***  
***Course Load***  
***Exception to Policy***  
***Grade Appeal Process***  
***Make-up Examinations***  
***Nondiscrimination***  
***Students with Disabilities***

## ***Code of Civility***

To promote a positive, collegial atmosphere among students, faculty, and staff, Maryland in Europe has developed the following Code of Civility:

### **Respect**

Treat all students, faculty, and staff with respect and in a professional and courteous manner at all times and in all communications, whether in person or in written communication (including e-mail).

### **Kindness**

Refrain from using profanities, insults, or other disparaging remarks.

### **Truth**

Endeavor to cite only the truth and not knowingly misrepresent, mischaracterize, or misquote information received from others.

### **Responsibility**

Take responsibility for our own actions instead of blaming others.

### **Cooperation**

Work together with other students, faculty, and staff in a spirit of cooperation toward our common goals of seeking and providing quality education.

### **Privacy**

Strive to uphold the right to privacy and not talk about others.

## **Nondiscrimination**

Respect the differences in people and their ideas and opinions and reject bigotry.

### **About Your Instructor:**

The instructor, Professor Mehdi, as his students at Norwich University where he works as a tenured full professor call him, received his Ph.D. in Economics from Clark University in 1986. He has taught different economics and financial management courses in the MBA and Military graduate programs of Norwich University and in the Maryland in Europe Graduate Programs. Professor Mehdi's research interests include: Applications of public finance and managerial finance theories to economies of developing countries; Empirical studies in financial and portfolio management; Consequences of trade policies in developed and developing economies; and Economic policy analysis.