



O'Neill School of Public and Environmental Affairs

SPCN-F560 Public Finance and Budgeting (Section 8549)

Spring Semester, 2025

INSTRUCTOR

Instructor: Roger E. Sell, MPA
Associate Faculty, Graduate Program

Office Hours: By appointment

Location: The O'Neill School of Public and Environmental Affairs
SPEA 460
Indiana University
1315 E. Tenth Street
Bloomington, IN 47405-1701

Telephone: (317) 997-9392

E-mail Address: rsell@iu.edu

Assistant: Steven Anthony Watkins
SPEA Room 230, Indiana University
Phone: 812-855-7980

COURSE DESCRIPTION

SPCN-F560 Public Finance and Budgeting (3 cr.) The fiscal role of government in a mixed economy; sources of public revenue and credit; administrative, political, and institutional aspects of the budget and the budgetary process; problems and trends in intergovernmental fiscal relations.

The course is broad and will cover the roles of government in public finance; major revenue systems and credit policies and sources; characteristics of federal, state and local budgeting; basics of fiscal analysis; concepts and terminology in financial reporting; and capital budgeting, debt issuance, debt management, and trends and challenges in intergovernmental fiscal relations.

O'NEILL MASTER OF PUBLIC AFFAIRS (MPA) MISSION STATEMENT

Our mission is to serve our community by educating individuals to be thoughtful public servants, whether serving in governments, nonprofits, or the private sector. We bring together a diverse set of students, faculty, and community leaders to engage in innovative learning and student experiences to connect cutting edge research to practical workforce skills.

COURSE LEARNING OUTCOMES

Upon successful completion of this course, a student should be able to:

- ✓ Demonstrate the ability to analyze the fiscal and governance challenges of a state/local/nonprofit organization through discussions, group assignments and the final paper.
- ✓ Demonstrate the ability to analyze the impact of political, economic and organizational factors on budgetary decision-making through case study assignments and the final paper.
- ✓ Demonstrate the ability to utilize spreadsheets to conduct budget and financial statement analysis.
- ✓ Demonstrate understanding of professional and ethical values in case studies and online discussion.
- ✓ Demonstrate understanding of the relationship between the global financial market and the U.S. fiscal policies in case study assignments.

REQUIRED COURSE MATERIALS

Mikesell, John L. 2018. *Fiscal Administration: Analysis and Applications for the Public Sector*, 10th edition. Thomson Wadsworth: Belmont, CA.

Wang, XiaoHu 2014. *Financial Management in the Public Sector: Tools, Applications, and Cases*, 3rd Edition. Armonk, NY: M.E. Sharpe.

COPYRIGHT AND USE OF MATERIALS

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Selling the instructor's notes/study guides in this course to commercial services 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, 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.

COMMUNICATION WITH INSTRUCTOR

Canvas e-mail is the preferred method for communicating with the instructor. In most cases, email messages from students will be responded to within 48 hours. If no response has been received after 48 hours, students are free to send a follow-up email.

INDIANA UNIVERSITY POLICIES

There are several campus-wide policies governing the conduct of courses at IU. These may be found at <https://studentcode.iu.edu/>. Each student is responsible for understanding and following all policies.

COURSE GUIDELINES

This course is offered in an online format, however the format does not alter basic responsibilities to one another. It is *your responsibility* to do the following:

- Be prepared to contribute to online discussions
- Complete assignments on time
- Inform me of any problem or situation that may be interfering with your learning or performance
- Provide feedback on the strengths and weaknesses of the course in a professional manner

It is *my responsibility* to do the following:

- Provide activities designed to accomplish course objectives
- Assist in providing an atmosphere conducive to learning
- Grade and return assignments in a timely fashion and appraise students of their progress
- Respond to student concerns

ASSESSMENT AND GRADING

Grades are based on the following grading scale:

100% to 97%: A+	< 97% to 94%: A	< 94% to 90%: A-	< 90% to 87%: B+	< 87% to 84%: B
< 84% to 80%: B-	< 80% to 77%: C	< 77% to 74%: C	< 74% to 70%: C-	Below 70%: F

Per university graduate school policy, any grade below C is considered a failing grade. IU's grading policies can be found at <https://policies.iu.edu/policies/aca-66-grades-and-grading/index.html>

Evaluation :	Quizzes (4 x 7.5 points each)	30.0 points
	Discussion Forums (3 x 7.5 points each)	22.5 points
	Excel Assignment (7.5 points)	7.5 points
	Final paper (state/local case report)	<u>40.0 points</u>
	Total	100.0 points

Unless a convincing personal reason is offered in advance of the due date, assignments up to three days late will receive a 10% grade reduction. Assignments four to seven days late will receive a 20% grade reduction. Assignments more than one week late will receive a 30% grade reduction. You are encouraged to retain a copy of your submission in case the original does not post correctly.

The Purdue University Online Writing Lab (OWL) offers useful information regarding writing in general. Students who need assistance in this area are encouraged to visit <https://owl.english.purdue.edu/owl>. For the final paper, sources must be cited according to MLA or APA guidelines. MLA and APA guidelines also can be found at the OWL site.

The final paper is a case report that either a) analyzes the financial status of a state or local governmental entity; or b) a report that researches and evaluates a current public finance and budgeting issue at the national, regional, state or local level. The final work product should be a minimum of 16 pages (double-spaced), not including supporting data tables and graphs. Graphs, tables and supporting data are expected to be used to help present the analysis. The final submission is expected to be of a high quality. Submissions containing typographical and grammatical errors will not be accepted. All sources must be properly cited.

CLASS FORMAT

As an online course, most of our interaction will be online as well. Our exchanges will be asynchronous (that is, not at concurrent times). An advantage of online discussions is that this format gives you flexibility in the timing of your contributions. It also allows time to prepare thoroughly and reflect on the issues from the readings and exercises. One disadvantage of the format is that we will not enjoy the same level of interaction that is felt in a classroom format. You will need to communicate clearly, concisely and accurately with others. Remember that you can learn as much from your classmates as you can from me.

REQUIREMENTS FOR WRITTEN WORK

Written assignments must be clear, well organized, and correctly written (no misspellings, incomplete sentences, etc.), double-spaced with normal margins, and neat in appearance. Submissions will be graded on three criteria: 1) Level of Analysis: the thoroughness and quality of your analysis, including your grasp of the issues; 2) Use of Course Material: the extent to which you applied course material to the situation and demonstrated your understanding of the material; and 3) Writing Style: the quality of your writing, your efforts to edit for grammar and spelling, and your ability to adhere to page length requirements.

COURSE SCHEDULE

Course schedule is subject to modification by the instructor. Check for announcements in Canvas. **Note:** Readings listed in the right column are to be completed by the following week.

<u>Week</u>	<u>Description</u>	<u>Assignment (Mikesell Chapters Are for TENTH Edition)</u>
<u>Beginning</u>		
Jan 13	Week 1. Overview of the public sector in public budgeting and finance. Distinctions regarding public budgeting, historical development of U.S. budget systems, and overview of U.S. fiscal policies.	Mikesell Chpt. 1

<u>Week Beginning</u>	<u>Topic</u>	<u>Assignment (Mikesell chapters Are for TENTH Edition)</u>
Jan 20	Week 2. State and local budgeting: theory and practice Why should government be involved in certain activities.	Mikesell Chpt. 2; Discussion Forum 1 opens
Jan 27	Week 3. State and local revenues, part I Overview of revenue sources, and administrative and policy tax issues.	Mikesell Chpt. 8-11; Quiz 1 Distributed
Feb 3	Week 4. State and local revenues, Part II Policy and administrative issues related to taxes, fees and charges; resource development analysis.	Mikesell Chpt. 12; Wang Chpt. 2; Forum 1 closes.
Feb 10	Week 5. Revenue forecasting Concepts and terminology in public budgeting and financial reporting, an overview of the budget process in state and local governments.	Mikesell Chpt. 13; Wang Chpt. 1; Quiz 1 Due
Feb 17	Week 6. Budget preparation process Understanding the statement of activities and fund-level statements.	Mikesell Chpt. 4-6; Excel Assignment Distributed
Feb 24	Week 7. Capital Budgeting Capital needs assessment, operational budgeting, and debt planning.	Mikesell Chpt. 7; Wang Chpt. 4-5 Discussion Forum 2 opens
Mar 3	Week 8. Ethics and Professional Values.	Supplemental Readings - Refer to Module
Mar 10	Week 9. Budget analysis Percentage change analysis, revenue and spending analysis in constant dollars; forecasting; performance measurement.	Mikesell Chpt. 3; Wang Chpt. 7; Quiz 2 Distributed; Excel Assignment Due; Forum 2 closes
Mar 17	Spring Break – No Class	(None)
Mar 24	Week 10. Budget issues and challenges Role of the budget entities; approval process; unfunded mandates; issues related to program delivery, downsizing, privatization, risk management, pension management, and tax collection.	Wang Chpt. 3; Quiz 2 Due
Mar 31	Week 11. Financial reporting and analysis – Part I Fundamental financial reporting tools; income statement and balance sheet analysis.	Wang Chpt. 9-12; Quiz 3 Distributed
Apr 7	Week 12. Financial reporting and analysis – Part II Walk-through and analysis of City of Indianapolis CAFR	No new reading assignments
Apr 14	Week 13. Capital markets and bond issuance Planning and budgeting for capital improvements; evaluating spending priorities; debt policies and management; bond fundamentals.	Mikesell Chpt. 14-15; Quiz 3 Due; Quiz 4 Distributed; Discussion Forum 3 opens
Apr 21	Week 14. Cost-Benefit Analysis	Wang Chpt. 6
Apr 28	Week 15. The Federal Deficit; Government Efficiency	Supplemental Readings - Refer to Module; Quiz 4 Due
May 5	Wrap-up and submission of final paper	Final papers due; Forum 3 closes

O'Neill School Academic Policies

Academic Dishonesty

The O'Neill School does not tolerate cheating, plagiarism, or any other form of academic dishonesty. Students are responsible for reading and adhering to the IUB *Code of Student Rights, Responsibilities, and Conduct*, which can be accessed at: <http://studentcode.iu.edu/about/index.html>

Academic dishonesty can result in a grade of F for the class. An F for academic dishonesty cannot be removed from the transcript. Violations of the Code can result in expulsion from the University.

Plagiarism is using another person's words, ideas, artistic creations, or other intellectual property without giving proper credit. According to the *Code of Student Rights, Responsibilities, and Conduct*, a student must give credit to the work of another person when doing any of the following:

- a. Quotes another person's actual words, either oral or written;
- b. Paraphrases another person's words, either oral or written;
- c. Uses another person's idea, opinion, or theory; or
- d. Borrows facts, statistics, or other illustrative material, unless the information is common knowledge.

Communication between Faculty and Students

All email communication from current O'Neill School students to O'Neill School staff must originate from an Indiana University email account. For email communication with O'Neill School faculty, current O'Neill School students should refer to course syllabi for instructors' preferences (Canvas, Outlook, etc.). This policy applies to current students only.

Course Withdrawals

Students who stop attending class without properly withdrawing from the class may receive a grade of F. It is important to withdraw from a course within specified timeframes (see chart below). Note that withdrawals after Week 12 of a regular session or Week 4 of a summer session are rarely granted. **Poor performance in a course is not grounds for a late withdrawal.**

No withdrawal forms will be processed in the Office of the Registrar after the last day of classes. Any requests for a late withdrawal after the last day of classes must go through the grade appeal process, but each student should remember that in accordance with campus policy, the O'Neill School does not permit a student to withdraw from a course if he/she has completed the course requirements. Grade replacement should be used in this case. To withdraw, obtain a withdrawal slip (DROP/ADD Form) from the O'Neill School Student Services window. Instructions for completing it are given on the form.

Information on the grading system and GPA calculation can be found at:

<http://registrar.indiana.edu/grades/grade-values/grading-system.shtml>

Withdrawal Deadlines	
Course deleted from record, no grade assigned, 100% refund (Advisor signature IS NOT required)	Week 1 (last day)
Withdrawal with automatic grade of W (Advisor signature IS required)	Week 2– Week 7 (regular session) Week 2 – Week 3 (summer session)
Withdrawal with grade of W or F (Advisor and instructor signatures ARE required)	Week 8 – Week 12 (regular session) Week 3 – Week 4 (summer session)

O'Neill School Academic Policies (continued)

Civility

Civility is important in an academic community to ensure that all parties—students, staff, and faculty—are working in an environment that fosters achievement of the individual's and community's goals and objectives. Civility requires all parties to demonstrate personal integrity and conduct themselves in a manner that shows respect, courtesy and tolerance to others. Examples of discourteous behaviors during class include reading the newspaper, listening to headphones, talking or laughing with others, chronically arriving late, and so forth. These behaviors are distracting to the instructor and classmates, and O'Neill School faculty will address these problems as they arise. Maintaining and fostering civility inside and outside the classroom is especially important to SPEA, which is a professional school.

Pursuant to the Indiana University Student Code of Conduct, disorderly conduct which interferes with teaching, research, administration, or other university or university-authorized activity will not be tolerated and will be immediately reported to the Office of The Dean of Students for appropriate disposition which may result in disciplinary action including possible suspension and/or expulsion from the university.

Incompletes

A grade of incomplete (I) indicates that a 'substantial portion' of the work in a course has been satisfactorily but not entirely completed by the student as of the end of the semester. The incomplete can be given to a student facing a hardship such that it would be unjust to hold the student to the established time limits for completing the work. To be eligible for the incomplete in an O'Neill School course, the student's work must be of passing quality, and the student must have completed 75% of the course requirements.

Poor performance in a course is not grounds for an incomplete. The O'Neill School follows the campus guidelines in awarding incompletes which may be accessed at the Office of the Registrar's website at: <http://registrar.indiana.edu/grades/grade-values/grade-of-incomplete.shtml>

Incompletes must be removed within a time period not to exceed one year after the semester in which the student was enrolled in the course. The incomplete will revert to an 'F' if the work is not completed within the allotted timeframe established by the instructor.

Students Called to Active Duty

The O'Neill School encourages any student who is in the Indiana Military Reserves and is called to active duty to finish his/her coursework if possible. Students who cannot complete their courses have the option of withdrawing with 100% fee refund, but this request must be made within one week of being called to active duty. Students who are called to active duty may qualify for an incomplete (provided that all the above criteria have been met). For further information, please see the Office of the Registrar's website at: <http://policies.iu.edu/policies/hr-05-60-military-duty/index.html>

Counseling and Psychological Services (CAPS)

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

Religious Observation

In accordance with the Office of the Dean of Faculties, any student who wishes to receive an excused absence from class must submit a request form available from the Dean of Faculties for each day to be absent. This form must be presented to the course instructor by the end of the second week of this semester. A separate form must be submitted for each day. The instructor will fill in the bottom section of the form and then return the original to the student. Information about the policy on religious observation can be found at the following website: <https://policies.iu.edu/policies/aca-59-accommodation-religious-observances/index.html>

Disability Services for Students

Securing accommodations for a student with disabilities is a responsibility shared by the student, the instructor and the DSS Office. For information about support services or accommodations available to students with disabilities, and for the procedures to be followed by students and instructors: <https://studentaffairs.indiana.edu/student-support/disability-services/index.html>

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.

Commitment to Diversity: Find your home and community at IU

Asian Culture Center

Address: 807 East Tenth Street, Bloomington, IN 47408

Phone: 812-856-5361

Email: acc@indiana.edu

Website: <https://asianresource.indiana.edu/index.html>

First Nations Educational & Cultural Center

Address: 712 E 8th St., Bloomington, IN 47408

Phone: 812-855-4814

Email: fnecc@indiana.edu

Website: <https://firstnations.indiana.edu/contact/index.html>

Jewish Culture Center

Address: 730 E 3rd St., Bloomington, Indiana 47401

Phone: 812-336-3824

Website: <https://iuhillel.org/iu-jewish-culture-center>

LGBTQ+ Culture Center

Address: 705 E 7th St., Bloomington, Indiana 47408

Phone: 812-855-4252

Email: gbltserv@indiana.edu

Website: <https://lgbtq.indiana.edu/contact/index.html>

La Casa Latino Culture Center

Address: 715 E 7th St., Bloomington IN, 47408

Phone: 812-855-0174

Email: lacasa@indiana.edu

Website: <https://lacasa.indiana.edu/>

Neal Marshall Black Culture Center

Address: 275 N Jordan Ave Bloomington, Indiana 47405

Phone: 812-855-9271

Email: nmgrad@indiana.edu

Website: <https://blackculture.indiana.edu/index.html>