
PPPA 6051: Governmental Budgeting

CRN 10727

Syllabus

Summer 2019

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Room 204, Rome Hall, 801 22nd
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6:10 – 8:20 PM, July 2 – Aug. 13

Course Description

This course will focus on the intricacies of the federal budget process and federal budget policy. The federal budget is unambiguously important to everyone; it allocates more than 20 percent of the goods and services in the U.S. economy. In particular, it is important to people whose careers will bring them in contact with the federal government; these people should have a great incentive to learn about how federal resources are raised and allocated. The course will thus follow the federal budget process through its various stages, focusing on the political and managerial challenges at each stage.

Course Goals

By the end of this course, you will be able to:

- Know more about the federal budget than 95 percent of the people who work for the federal government, as evidenced by:
 - Ability to use and apply basic budget concepts such as budget authority, outlays, obligations, revenues, tax expenditures, the deficit, and debt
 - Ability to describe the elements of the annual budget process and the processes used to develop the executive budget and to enact the budget, including the budget resolution, appropriations, and reconciliation
 - Ability to analyze and present options for decision, showing the budget effects and performance implications of alternatives for addressing a policy issue or objective and,
- Effectively communicate both orally and in writing – your analysis to policy officials, as evidenced by:
 - Written presentation of a budget issue in the form of a Director's Review paper
 - In-depth written analysis of an issue affecting the budget or budget process and institutions
 - Oral summary presentation of the findings of a budget issue analysis and,
- Critically analyze the current federal budget process, as evidenced by:

- Ability to describe the strengths and weaknesses of the current federal budget process
- Assessment of a range of potential budget process reforms in relation to such performance measures as sustainability of current spending and revenue policies and
- Application of evidence about cost and performance to the setting of budget priorities.

Required Readings

Allen Schick, *The Federal Budget*, 3rd Edition (Brookings, 2007) (Available at Bookstore). In addition, a number of required supplemental readings will be available on Blackboard or distributed by the instructor in class. Additional short topical readings may be provided over the course of the semester as budget developments warrant.

Methods of Instruction

- *Guest Lectures:* Some guest presentations were recorded during the summer 2017 or 2018 offering of this course and are available in the weekly content sections in Blackboard. These lectures will complement the course's series of mini-lectures.
- *Readings & Additional Media:* Each week, there is a list of required course readings and additional media.
- *Written Assignments:* Two written assignments, a major policy paper and a discussion brief on an assigned topic, will provide you an opportunity to practice the critical skill of communicating essential information backed by credible analysis in the shortest possible space and most succinctly to busy policy officials. You will also have an opportunity to distill your policy paper's central message further in an executive summary and a final oral presentation. These are skills practitioners continue to develop and practice throughout their careers in and around public administration. Note this classic quote:

To do our work, we all have to read a mass of papers. Nearly all of them are too long. This wastes time, while energy has to be spent in looking for the essential points. I ask my colleagues and their staffs to see to it that their Reports are shorter . . . [and] the saving of time will be great, while the discipline of setting out the real points concisely will prove an aid to clearer thinking. Prime Minister Winston Churchill, "Brevity: Memorandum by the Prime Minister," August 9, 1940.

See Blackboard for the specific instructions for each written assignment. The grading breakdown can be found below.

Grading

Five components will determine your final grade for the course. The major policy paper (which will include two drafts plus an executive summary) will also be presented orally in the last class session. The specific

requirements for the policy paper are included in an attachment to this syllabus and can also be found in Blackboard. Instructions for the Policy Paper will be provided in class, with a template for an optional 'director's review issue' version of this assignment provided on Blackboard. Instructions for the issue brief on an assigned topic can be found at the end of this syllabus. Participation in class discussions will not be graded, but it could serve as a tie-breaker in awarding a final grade.

To determine your final grade, the course requirements will be weighted as follows:

<i>Assignment Type</i>	<i>Point Value Per Assignment</i>	<i>Number of Assignments</i>	<i>Total Percent of Final Grade</i>
First Draft of Policy Paper (July 23 rd)	100	1	25%
Discussion brief (oral and written)	100	Multiple	25%
Final Draft of Policy Paper (August 8 th)	100	1	30%
Executive Summary of Policy Paper (August 8 th)	100	1	10%
Oral Presentation of Policy Paper (August 8 th)	100	1	10%

Total Percent: 100%

The course will be conducted in accordance with school policies, which cover issues such as late assignments, incompletes, necessary academic accommodations, and attendance.

Please note that this syllabus is intended as a guide to the course for the student. Sound educational practice requires flexibility and the instructor may, with appropriate notice, change content and requirements at any time during the semester.

The grading scale below, based on percent, determines your final letter grade.

100 – 93: A	92 – 90: A-	89 – 88: B+
87 – 83: B	82 – 80: B-	79 – 78: C+
77 – 73: C	72 – 70: C-	69 – 68: D+
67 – 63: D	62 – 60: D-	<60: F

Course Schedule: Weeks at a Glance

Below is a general course outline and a list of the major due dates in this course. Detailed assignment instructions are posted in Blackboard. These due dates are subject to revision based on class progress.

Tuesday, July 2nd -Course Overview and Introductions

- Mini-lecture: Institutions and Budgeting
- Readings & Additional Media:
 - Schick, Chapters 1 & 2

Tuesday July 9th - Evolution of the U.S. Budget Process: Past and Future

■ Readings & Additional Media:

- Schick, Chapter 2
- Meyers and Rubin, "The Executive Budget in the Federal Government: The First Century and Beyond." *Public Administration Review* 71 (May/June 2011), pp. 334-344
- Joyce and Meyers, "Budgeting During the Clinton Presidency," *Public Budgeting and Finance* 21, Number 1 (Spring 2001), pp. 1-21
- Video Interview with Paul O' Neill (at Fiscal Guardians page at GMU;
<https://www.youtube.com/watch?v=ARYYbBtS7zU>)

■ Mini-lecture:

- A Short History of Budgeting in the U.S.

■ Proposal for Policy Paper Due

Thursday, July 11th - The Budget in Microcosm: Budget Terms and Definitions (A Budget Glossary) and Federal Budget Policies - Where Does Money Come From and Where Does It Go?

■ Readings & Additional Media:

- Center for Budget and Policy Priorities, *Policy Basics: Introduction to the Federal Budget Process*, <http://www.cbpp.org/research/policy-basics-introduction-to-the-federal-budget-process>
- Schick, Chapters 3 & 4

■ Mini-lectures:

- The Federal Budget Process Today
- The Budget and Fiscal Policy
- International Perspectives

■ Proposal for Discussion Brief Due

Tuesday, July 16th - Budget Choices - Fiscal Policy; Setting Priorities

■ Readings & Additional Media:

- Kirkegaard, J.F. *The True Levels of Government and Social Expenditures in Advanced Economies*. March, 2015. <http://www.piie.com/publications/pb/pb15-4.pdf>
- CBO, *Estimated Impact of the American Recovery and Reinvestment Act on Employment and Economic Output in 2014*. February 2015, <https://www.cbo.gov/publication/49958>

■ Mini-lecture:

- Setting Budget Priorities
- Budget Baselines – construction and uses

■ Policy Choices Exercise

Thursday, July 18th - Budget Preparation - Formulation in the agencies

- Readings & Additional Media:
 - Leloup and Moreland, “Agency Strategies and Executive Review: The Hidden Politics of Budgeting,” *Public Administration Review* 38:3, pp. 232-239.
 - Office of Management and Budget, Circular A-11, Sections 10, 25, 32, 51, 80, 200, https://www.whitehouse.gov/wp-content/uploads/2018/06/a11_web_toc.pdf
- Mini-lectures:
 - The Office of Management and Budget
 - Budget Development – The Annual Budget Cycle
- **Guest presenter** – Christopher Johns, DoE Budget Officer (invited) – Johns’ description of DoE’ s budget and internal budget process provides a sense of the complexity of budget development and intersection with policy for one major Department mostly funded through appropriations.

Tuesday, July 23rd - Budget Preparation - OMB and the President’s Budget

- Readings & Additional Media:
 - Schick, Chapter 5
 - Berman, “OMB and the Hazards of Presidential Staff Work,” *Public Administration Review* 38 (November/December 1978), pp. 520-523.
 - Redburn and Posner, *An Insider’ s Guide to OMB*. http://www.whitehousetransitionproject.org/wp-content/uploads/2016/10/WHTP2017_22_OMB_an_Insiders_Guide.pdf, October 2016.
 - Video: OMB’ s Institutional Challenges and Reform Ideas (interview with Dr. Kathleen Peroff) https://www.youtube.com/watch?v=gD5_rq3ants
 - Video: Budgeting for National Defense (interview with Dr. Kathleen Peroff) <https://www.youtube.com/watch?v=aorS497ZFDm&t=5s>
- First Draft of Policy Paper Due
- **Guest presenter** – Jessica Lee, a real live Branch Chief – a career senior executive who oversees budget and management of the Department of Housing and Urban Development and leads on issues related to housing, housing finance, urban development, and homelessness.

Thursday, July 25th - Revenues and Tax Expenditures; Credit and Investment

- Readings & Additional Media:
 - Schick, Chapters 7 and 8
 - D. Marron, “How Large are Tax Expenditures?: A 2012 Update,” *Tax Notes from the Tax Policy Center* (April 9, 2012).
- Mini-lectures:

- Tax Expenditures
- Budgeting for Investments
- Credit and Insurance Programs
- Climate Change Investments Exercise: Investments and Discounting (see spreadsheet)

Tuesday, July 30th - The Congressional Budget Process and Reconciliation; Appropriations

■ Readings & Additional Media:

- Schick, Chapters 6 and 9
- Dauster, “The Monster that Ate the United States Senate,” *Public Budgeting and Finance* 18, Number 2 (Summer 1998), pp. 87-93.
- CBO, *The Budget and Economic Outlook*, May 2019, <https://www.cbo.gov/topics/budget/outlook-budget-and-economy>
- LeLoup, “Appropriation Politics in Congress: The House Appropriations Committee and the Executive Agencies,” *Public Budgeting and Finance* 4 (Winter 1984), pp. 78-98.
- Joyce, P. *The Costs of Budget Uncertainty* (IBM Center for the Business of Government—November 2012)
- Phil Joyce, *Establishing Norms and Institutions to Support a Multi-year Focus for the Congressional Budget Process*. National Budgeting Roundtable working paper, April 2016, <http://psc.gmu.edu/wp-content/uploads/New-Ideas-for-Federal-Budget-Working-Paper-No.-5.pdf>.

■ Mini-lectures:

- Overview of Congress’ s Budget Process
- Congress and the Budget

■ Entitlement Cost Projections Exercise

- **Guest presenter** – Susan Willie, a senior analyst at the Congressional Budget Office and expert on the congressional budget process discusses how it really works these days and assesses options for process reform.

Thursday, August 1st - Budget Execution: Spending and Performance

■ Readings & Additional Media:

- Schick, Chapter 10, pp. 241-266.
- The President’s Management Agenda, February 2019, <https://www.performance.gov/PMA/PMA.html> .
- National Academy of Public Administration, *Improving Organizational Health and Performance in Government*. January 2019,

https://www.napawash.org/uploads/Strengthening_Organizational_Health_and_Performance_in_Government.pdf.

- **Guest presenter:** Lenora Stiles, Head, Office of Strategic Planning and Performance Improvement, U.S. Treasury - senior executive leading Treasury's strategic reviews and efforts to implement the GPRAMA and improve performance.

■ Mini-lectures:

- Using Performance Information to Budget
- Budgeting for Better Performance

■ Padania Health Clinic Exercise

■ Discussion Exercise

Tuesday, August 6th - Future of the Federal Budget; Stewardship and Reform

■ Readings & Additional Media:

- Schick, Chapter 11
- Peterson-Pew Commission on Budget Reform, "Tied to the Mast: Fiscal Rules and their Uses," http://budgetreform.org/sites/default/files/fiscal_rules.pdf.
- Rivlin. "Rescuing the Budget Process," *Public Budgeting & Finance* 32, Number 3 (Fall 2012), pp. 53-56. <http://onlinelibrary.wiley.com/doi/10.1111/pbaf.2012.32.issue-3/issuetoc>
- Nussle, "Perspectives on Budget Process Reform," *Public Budgeting & Finance* 32, Number 3 (Fall 2012), pp. 57-60. <http://onlinelibrary.wiley.com/doi/10.1111/pbaf.2012.32.issue-3/issuetoc>
- Redburn, "Practical Imagination: Building a New Budget Process," *Public Budgeting & Finance*. (Winter 2015). [on Blackboard]
- *Choosing the Nation's Fiscal Future*, NRC and NAPA (2010), chapters 1 - 4, 9, <https://www.nap.edu/catalog/12808/choosing-the-nations-fiscal-future> (read on-line or download pdf).
- CBO, "The 2018 Long-Term Budget Outlook," <https://www.cbo.gov/publication/53919>, June, 2018.
- Video: [Barry Anderson] lecture on future of the federal budget. A former senior executive at both OMB and CBO with an international perspective on the U.S. from his time at the OECD offers his personal views in a highly colorful, illustrated lecture to the summer 2016 version of this class.
- **Guest presenter** – Joe Minarik, Vice President, Committee for Economic Development - a former chief economist at OMB discusses the long-term fiscal outlook and how to deal with it.

■ Mini-lectures:

- Reforming the Federal Budget Process
- How to Budget Over a Long Horizon

■ In Class: 'Stabilizing the Debt' Simulation

Thursday, August 8th - Remaining Coursework Due; Policy Paper Presentations

- Final Draft of Policy Paper Due August 8th
- Executive Summary Due August 8th
- Oral Presentations of Policy Paper Due August 8th

Policies & Support

The Syllabus

This syllabus is a guide to the course. Sound educational practice requires flexibility and the instructor may therefore, at her/his discretion, change content and requirements during the semester.

Incompletes

A student must consult with the instructor to obtain a grade of “I” (incomplete) no later than the last day of classes in a semester. At that time, the student and instructor will both sign the CCAS contract for incompletes and submit a copy to the School Director. Please consult the TSPPPA Student Handbook or visit the website for the complete CCAS policy on incompletes.

Submission of Written Work Products Outside the Classroom

It is the responsibility of the student to ensure that an instructor receives each written assignment. Students can submit written work electronically with the express permission of the instructor.

Policy on Late Work

All work must be turned in by the assigned due date in order to receive full credit for that assignment, unless an exception is expressly made by the instructor.

Academic Honesty

For the GW Code of Academic Integrity, see gwu.edu/~ntegrity. All examinations, papers, and other graded work products and assignments are to be completed in conformity with the Code. Its definition of plagiarism: “intentionally representing the words, ideas, or sequence of ideas of another as one’s own in any academic exercise; failure to attribute any of the following: quotations, paraphrases, or borrowed information.”

Changing Grades after Completion of the Course

No changes can be made in grades after the conclusion of the semester, other than in cases of clerical error.

Religious Holidays

Religiously observant students should notify the instructor the first week of classes regarding any session that will be missed; the courtesy of an absence without penalty will be extended.

Disability Support Services

If you need disability accommodations, please register with Disability Support Services (DSS) at disabilitysupport.gwu.edu/registration. If you have questions about disability accommodations, contact DSS at 202-994-8250 or dss@gwu.edu or visit them in person in Rome Hall, Suite 102.

[Attachments – Instructions for Policy Paper and Discussion Brief – see below]

Policy Paper - Public Policy and Administration 6051

Instructions

Each student is required to complete a major policy paper (of approximately 20 double-spaced pages). Because many students in this course are preparing for (or continuing) careers as professional administrators or analysts, the model that will be used for this paper is the model that is used in virtually all professional policy analysis organizations. That is, your first draft will not be your final draft. Instead, I plan to give you substantial feedback and an opportunity to revise your paper. Further, as a separate assignment, you will be required to summarize your paper in two double-spaced pages. At each stage of the process--the first draft, the second draft, and the summary--you will receive a grade. The grades will be weighted as described in the syllabus.

Topics for the Paper

You have wide latitude in the selection of a paper topic. The only firm criterion is that the paper must address some aspect of federal budgeting. As we will discover over the course of the semester, this will not limit your choice of topics a great deal, since the federal budget touches virtually every policy area. There are a wide variety of economic, political, accounting, etc. topics that relate to the federal budget. I expect you submit a proposed paper topic by July 9th. I will provide you feedback on your topic within one week. The proposal should be viewed as a starting point; often students find that as they begin to research a topic, another one occurs to them. That is a natural part of the research process, and you should feel free to propose a change in topic if you think that is appropriate.

If you are having trouble thinking of a possible topic, you might consider the following list of possible areas where papers might be appropriate:

- A budget decision paper (5 to 7 pages, plus attached appendices, references, tables or figures) in the mode of an OMB Director's Review paper, presented concise analysis of a set of policy choices, their estimated budget effects over a 3 to 5 year period and beyond, and their expected social benefits and costs. (See *Director's Review Issue Template* on Blackboard for format, which may be adapted as needed for your selected issue.)
- A review of how the federal budget impacts a particular policy area (e.g., air quality, employment, access to health care, homeownership) in whole or in part.
- An analysis of some particular change in the budget process (biennial budgeting, capital budgeting, line-item veto, performance-based budgeting), including positive and negative effects.
- A discussion of how the federal budget affects state and local governments in some particular policy area or policy objective (the Clean Air Act, Medicaid, surface transportation, etc.)
- A comparison of some aspect of the U.S. budget process to the budget process in another country or countries, focusing on similarities or differences and how these affect budget outcomes, roles of budgetary actors, and so on.

These are only examples. I want you to choose a topic that interests you, subject to my approval.

Sources of Data

You can use a number of sources of data in drafting your research paper. The best academic journals to use as sources for articles on the federal budget process are *Public Budgeting & Finance* and *Public Administration Review*, both of which can be found in the library. Other journals that you might consult include *the National Tax Journal*, and *the Journal of Public Budgeting, Accounting and Financial Management*. Some popular periodicals also include topical information on the federal budget, including principally the *Congressional Quarterly Weekly Report*, the *National Journal*, and *Government Executive*.

A number of influential books deal with the federal budget process in whole or in part, including Richard Fenno's *The Power of the Purse*, Allen Schick's *Congress and Money* and *The Capacity to Budget*, Aaron Wildavsky's *The New Politics of the Budget Process*, and Irene Rubin's *Balancing the Federal Budget* and *The Politics of Public Budgeting*. Recent popular overviews of the federal budget process are: C. Eugene Steuerle, *Dead Men Ruling: How to Restore Fiscal Freedom and Rescue our Future* (New York: The Century Press Foundation, 2014) and David Wessel, *Red Ink: Inside the High Stakes Politics of the Federal Budget* (New York: Crown Business, 2012). Phil Joyce's *The Congressional Budget Office* is the definitive history of that institution. Relevant books will depend on topics chosen. Please consult me if you need assistance.

- Many web sites contain useful information on federal budgeting. These include:
- Office of Management and Budget: www.whitehouse.gov/omb/
- Congressional Budget Office: www.cbo.gov
- Government Accountability Office: gao.gov
- Congress: www.congress.gov
- Senate Appropriations Committee: www.senate.gov/~appropriations
- House Appropriations Committee: www.house.gov/appropriations
- Senate Budget Committee: www.senate.gov/~budget
- House Budget Committee: www.house.gov/budget
- International Monetary Fund Fiscal Affairs: <http://blog-pfm.imf.org/pfmblog/>
- American Association for Budget and Program Analysis (AABPA)*: www.aabpa.org
- Committee for a Responsible Federal Budget: <http://www.crfb.org/>
- The Concord Coalition: <http://www.concordcoalition.org/>
- The Center on Budget and Policy Priorities: <http://www.cbpp.org/>
- Fiscal Future of the U.S.: Choosing the Nation's Fiscal Future, NRC and NAPA (2010), chapters 1 - 4, 9. <http://www.ourfiscalfuture.org/>
- Peterson-Pew Commission on Budget Reform: <http://www.budgetreform.org>
- National Budgeting Roundtable: <http://www.budgetingroundtable.com>
- George Mason University Center for Public Service "Fiscal Guardians": <http://psc.gmu.edu/fiscal-guardians/>

- The Fiscal Ship (an on-line budget game): <http://fiscalship.org>

Please contact me if you have trouble accessing information on your desired topic.

*This is the main membership organization for federal budgeting professionals. The web site includes many other links, including to agency budget offices.

Discussion Brief

Instructions

Each of you will be required to prepare a discussion brief to help to guide our discussions during one course session. These briefs will be written about one of the topics listed below. The student is expected to investigate the topic with an eye toward offering additional detail concerning an issue related to a subject that will be discussed in a particular week.

The discussion briefs should be approximately 5 to 7 double spaced pages, and the focus should be on describing the event or issue that is being researched and relating it to that day's broader subject. In addition, students preparing discussion briefs should be prepared to help guide the class discussion on that day by interjecting examples from your research into the discussion.

The topics for discussion briefs, with the days that they are related to, are listed below:

<u>Date</u>	<u>Discussion Brief Topic</u>
July 11	Reconciliation Process and Deficit Reduction in the 1990s
July 16	Budget Impacts of the Iraq and Afghanistan Wars
July 18	Effects of the Budget Control Act of 2011
July 18	Tax Reform in 1986 vs. Tax Reform in 2017
July 23	Dynamic Scoring of Major Revenue and Spending Legislation
July 23	A Balanced Budget Amendment to the Constitution
July 23	The Digital Accountability and Transparency Act (DATA Act)
July 25	Fiscal effects of the 2008-2009 financial crisis and Great Recession
July 25	Enforcing the Antideficiency Act
July 30	GAO reports on implementation of the GPRA Modernization Act of 2010
July 30	Future of Social Security (2019 Trustees Report)
August 1	Future of Medicare (2019 Trustees Report)

I will ask each of you to identify your top three choices, in order or preference ***before***

July 11th, and I will respond by email within two days indicating what your assignment will be.