



Public Affairs 7930
CAPSTONE STRATEGIC BUDGETING AND FINANCIAL MANAGEMENT
(Rev 12/08/15)
Spring 2016
Mondays 5:30-8:15pm
Page Hall, Room 110B

INSTRUCTOR

William J. Shkurti, Adjunct Professor

Office: 310W

Telephone: 481-7599

Email: shkurti.1@osu.edu

Office Hours: Monday 4:30 to 5:00 and by appointment

Room 240A

PREREQUISITES

PA 6030 and PA 6040, or permission of instructor.

STUDENT LEARNING GOALS AND OBJECTIVES: Upon completion of this course, students will be skilled in strategic budgeting and financial management tools to advance the goals of their respective government agency or non-profit organization. This includes developing a five year financial plan and aligning it with agency goals. Students completing the course will earn 3 credit hours. With the successful completion of this course, students will acquire knowledge and develop skills in the following Glenn College Program goals:

Policy 5 – Draw connections between public problems, goals, public programs, outputs, and outcomes

Econ 4 - Know and apply basic budgeting tools

Mgt 1- Manage and lead public organizations towards policy goals

Mgt 3- Identify and manage external/ environmental challenges to organizational performance

Mgt 5- Engage in strategic planning for public organizations

COURSE DESCRIPTION: As a capstone course, PA 7930 emphasizes integrating financial tools with strategic planning, data analysis, management and communications and applying them to a real world public policy or management problem. Course materials include readings, guest speakers and in class exercises. The course is divided into three parts. The first addresses linking budget and strategy, the second addresses financial management in a strategic context and the third part addresses integration of the entire package. A more detailed schedule of classes and readings is included (see Attachment A).

REQUIRED TEXTS

Allen J. Proctor
Linking Mission to Money (2nd Edition)
 LMM Press: Worthington, OH (2010)
 ISBN 10: 1453793380

Lynne A. Weikert et al
Budgeting & Financial Management for Non Profit Organizations
 CQ Press: Washington, DC.(2013)
 ISBN 978-1-60871-693-7

Students can access textbook information via the Barnes & Noble bookstore website: www.shopOhioState.com as well as from their BuckeyeLink Student Center. This information is disseminated by B&N to all area bookstores. You may buy from a store of your choice and/or shop for books (always use ISBN# for searches) on line.

I would add the footnote about additional readings can be found on Carmen and are indicated by an asterisk in the reading list in Attachment B.

A list of other required readings is included in Attachment B

GRADING INFORMATION

Midterm (Individual Capstone Project) – will be due the eighth week of the semester It will be a take home essay focusing on the Strategic Budgeting portion of the course. It will be worth 30% of your grade and will also fulfill the graduate exit examination requirement for Masters of Arts students. For more information see Attachment C, D and E.

Quizzes will be given in class the fifth and eleventh weeks of the semester. Both will be open book essay mini exams. The first will be focused on Strategic Budgeting. The second will be focused on the Financial Management portion of the course. Each will be worth 10% of the total grade.

Final (Group Project) – students will work in three to four person teams that will prepare a five year financial plan for a government agency, university business unit, or non-profit organization. Each group will make an oral progress report of 20 minutes late in the semester. This will serve as the final exam for the course and be worth 30% of your grade. See Attachments C, D and E for more details.

Short Exercises – students will be expected to submit two short (one page) memos on individual topics spread out through the semester. These will be worth 5% each (10% in aggregate). The first assignment will be handed out in the first class session. It will be due the second session (1/25/16).

Class Participation – regular attendance is encouraged but not required. Students will be graded on the amount and quality of their classroom participation both in response to the questions asked of them and the questions they ask of the instructor, guest speaker and student presenters. This will be worth 10% of the total grade.

GRADING SUMMARY

Grading weights are summarized below:

Indiv Capstone/Midterm	30%
Quizzes (2)	20%
Group Capstone/Final	30%
Exercises (2)	10%
<u>Class Participation</u>	<u>10%</u>
	100%

GRADING SCALE

The standard university grading scale will apply as follows:

A	93-100	B-	80-82	D+	68-69
A-	90-92	C+	78-79	D	64-67
B+	88-89	C	73-77	E	63 & below
B	83-87	C-	70-72		

CLASS ATTENDANCE POLICY

Regular attendance is encouraged, but not required.

ACADEMIC INTEGRITY (ACADEMIC MISCONDUCT)

The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct, and that all students will complete all academic and scholarly assignments with fairness and honesty. Failure to follow the rules and guidelines established in the University's Code of student conduct may constitute "Academic Misconduct". Sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University

In The Ohio State University's Code of Student conduct Section 3335-23-04 defines academic misconduct as "any activity that tends to compromise the academic integrity of the University, or subvert the educational process". Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct. If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Other sources of information on academic misconduct (integrity) to which you can refer include The Committee on Academic Misconduct web page: <http://oaa.osu.edu/coam.html>
Ten Suggestions for Preserving Academic Integrity: <http://oaa.osu.edu/coamtensuggestions.html>
Eight Cardinal Rules of Academic Integrity: www.northwestern.edu/uacc/8cards.html

DISABILITY SERVICES

Students with disabilities that have been certified by the Office for Disability Services will be appropriately accommodated, and should inform the instructor as soon as possible of their needs. The Office for Disability Services is located in 150 Pomerene Hall, 1760 Neil Avenue. Telephone: 292-3307. TDD: 292-0901. <http://www.ods.ohio-state.edu/>

Mental Health Statement

As a student you may experience a range of issues that can cause barriers to learning, such as strained relationships, increased anxiety, alcohol/drug problems, feeling down, difficulty concentrating and/or lack of motivation. These mental health concerns or stressful events may lead to diminished academic performance or reduce a student's ability to participate in daily activities. The Ohio State University offers services to assist you with addressing these and other concerns you may be experiencing. If you or someone you know is suffering from any of the aforementioned conditions, you can learn more about the broad range of confidential mental health services available on campus via the Office of Student Life Counseling and Consultation Services (CCS) by visiting ccs.osu.edu or calling 614-292- 5766. CCS is located on the 4th Floor of the Younkin Success Center and 4th Floor of the PAES Building. 24 hour emergency help is also available through the National 24/7 Prevention Hotline at 1-800-273-TALK or at suicidepreventionlifeline.org

ATTACHMENTS

- A – Class Schedule
- B – Reading List
- C – Capstone Project
- D – Capstone Project Components
- E – Capstone Requirements

ATTACHMENT A
Class Schedule
Public Affairs 7930
Spring 2016

<u>Session</u>	<u>Date</u>	<u>Theme</u>
Part One: Strategic Budgeting		
1	1/11	Course Overview
	1/18	<i>MLK Holiday</i>
	1/21	<i>Midterm Topic Due</i>
2	1/25	Linking Planning and Budget
3	2/1	Using Financial Information
4	2/8	Sustaining Mission
Part Two: Strategic Financial Management		
5	2/15	Information Management (Accounting) <i>Quiz I in class</i>
6	2/22	Process Management (Audits and Internal Controls)
7	2/29	Asset Management (Capital and People)
8	3/7	Asset Management (Cash) <i>Midterm Due</i>
	3/14	<i>Spring Break</i>
9	3/21	Financial Risk Management
	3/24	<i>Selections for Group Paper due</i>

Part Three: Integration

10	3/28	Strategic Communications
11	4/4	Strategy in the New Normal <i>Second quiz</i>
12	4/11	Thinking Outside the Box Strategically
13	4/18	Tying It All Together
14	4/25	Project Presentations
	5/2	<i>Group Project Reports Due</i>

ATTACHMENT B
PA 7930 Reading List
Spring 2016

1. Course Overview
 - Proctor, "Planning & Priorities," 1-15
 - Weikart, "Preface," xxv-xxviii
 - *GFOA, "Best Practice: Long Term Financial Planning," (2008).

- 2 Linking Planning and Budget
 - Proctor, "Mission Focused Budget," 15-35
 - Weikart, "Budgeting," 17-50
 - *Jones, "Key Concepts," *AGB Occasional Paper # 28*, 1-9.
 - *Federation for Community Agency Research R, "Characteristics of a Successful Strategic Plan," Best Practices Report # 3, (2001).
 - *Kaplan and Martin, "Four Barriers to Implementation." *CPA Trend lines*, November 2010.

3. Analyzing Financial Information
 - Proctor, "Profit Making by Nonprofits," 51-56.
 - Weikert, "Cost Analysis," 68-87 and "Understanding Revenues," 187-20
 - *ASQ, "Benchmarking," (2015)
 - *Massey and Tedeschi, "When Data Guys Triumph." *New York Times*, 10/1/11
 - *Silver, "Introduction" to *The Signal and the Noise*, (2013), 1-15

4. Sustaining Mission
 - Proctor, "Effective Budgeting," 36-62 and "Sustaining Mission," 118-146
 - *Jones, Strategic Budget," 9-15.
 - *Chen et al, "Multiyear Plans and Analysis," *Budget Tools* (2009).
 - *GFOA, "Use of Trend Data."
 - *Lewis and Logabutto, "Cutback Checklist." *Public Administration Review*, March/April 1980.

5. Information Management
 - Proctor, "Focusing on Mission," 78-115
 - Weikart, "Accounting & Reporting," 88-186
 - *GFOA, "Relationship between Budget & Financial Information."
 - *Walters, "Are CAFR's Useless?" *Governing*, Sept 2012.

6. Process Management

Weikart, "Internal Controls," 288-301

*Joe Stephens & Tracy Pat Flaherty, "Inside the hidden world of ...nonprofits,"
Washington Post, October 23, 2013.

*University of Michigan, "Strategic Sourcing," (2012).

7. Asset Management (Capital and Human)

Weikart, "Capital Budgeting and Finance," 246-266

*Jones, "Maintenance of Assets," 13-15

*GFOA, "Multiyear Capital Planning."

*Joseph Arnold, "Managing Human resources for Successful Strategy," *Health Care Manager*, April-June 2010.

8. Asset Management (Cash)

Weikart, "Time Value of Money," 227-245

Weikart, "Capital Financing," 253-265

Weikart, "Investment Strategy," 266-287.

9. Risk Management

*GFOA "Risk Management"

*Ionmy.com, "Risk Matrix," (2013).

*OSU "Quarterly Report," November 6, 2008.

*NASBO, "Lessons Learned from the Downturn," 8/7/13.

*Operating Reserve Policy Tool Kit

10. Communications Management

Proctor, "Communications," 147-165

*Jones, "Strategic Budget," 16-19

*GFOA, "Providing a Concise Summary."

*GFOA, "Presenting Capital Budgets."

11. Strategy in the New Normal

Weikart, “Non-Profits,” 1-13

*NASBO, “Federal Shutdown: Understanding the Impact and Challenges for States.” 10/10/13.

*Liz Farmer, “Is There a Plot Against Pensions?” *Governing*, October 2013

*Joseph Stiglitz, “The Wrong Lessons From Detroit's Bankruptcy” *New York Times*, July 11, 2013.

12. Outside the Box

Weikart, “New Directions,” 302-322

*Collins, “Hedgehog & Flywheel.” *Good to Great in the Public Sector* (2005)

*La Piana Consulting, “The Partnership Matrix.” (2013).

*Compass Point, “Non Profit Fund Raising.” (1/14/13).

*Conlin, “States and Cities Selling Public Assets.” *CNS News*, 8/13/11.

13. Tying It All Together

*GFOA, “Building a Financially Resilient Government.”

*Collins, “Defining Great.”

*NASBO “Using Performance Information,” October 28, 2013.

*GovBeat, “State Planning Poor.”

* Document is available on Carmen a week before the respective class session

GFOA = Government Financial Officers Association (www.gfoa.org).

NASBO = National Association of State Budget Officers (www.nacubo.org).

Students are encouraged to visit these web sites for additional materials beyond the required readings.

ATTACHMENT C

Capstone Project

Overview

The preparation of a five year financial plan that integrates strategy, budget and good financial management practices is a key component of this course. The goal of the exercise is to help students become proficient in developing and implementing a multi-year financial strategy. Students will choose a real life agency for this project. It could be a unit of federal, state or local government, a unit of a university, school district, or a stand alone non-profit agency. The unit should be large enough to reflect some diversity of sources and uses, but small enough so that you can get your arms around it. The specific issues to be addressed are spelled out in Attachment D. This Capstone project will consist of both an individual and group graded component.

The individual component is equivalent to a take home midterm due the 8th week of the semester (March 7) that will also meet the Glenn School comprehensive exam requirement. The paper will be treated as a take home midterm. It will be graded individually and will also constitute the comprehensive exam for the Master of Arts (MA) degree (In-career, Dual) program and the comprehensive exam for the MPA students (see Attachment E). Students will respond to the specific questions drawn from the issues listed in Attachment C. Obviously some portions of the work will be more developed than others. The grading weights will be as follows:

Context 30%
Analysis 60%
Recommendations 10%

The group component will be a presentation and paper due at the end of the semester. This will be graded as a group project. Groups will be three to four members. The agency should be chosen from one of those done for an individual project by a group member. The oral presentations will be scheduled for either April 18 or the 25th. The completed group paper will count as the final exam for the course. It is due April 28th. Weighting for the grades on the group project will be as follows:

Context 10%
Analysis 40%
Recommendations 50%

In order to assure the integrity of the group project, group member will be required to submit an evaluation of the work of the other members of the group which may be used for grading purposes.

ATTACHMENT D

ORGANIZATION OF LONG TERM FINANCIAL PLAN PROJECT

The project is designed to address the three tasks listed below:

I. Context - Define the Problem, Identify Goals and Objectives and Assemble Evidence

- What are the agency's mission and goals?
- How are they linked to the budget?
- To whom is the agency accountable, a single official, legislative body, or a board?
- Who are the other relevant stakeholders?
- What are the major sources and uses; what drives them and how have they changed?
- What financial tools (accounting, audit/internal controls, capital, cash and risk management) are most relevant?
- Is the agency appear to be financially sustainable? Why or why not?
- Does the agency have debt and how is it being managed?
- What are the financial benchmarks and are they being met?

II. Analysis - Construct and Analyze Alternatives

- Based on present trends, what does a continuation of current policies look like over the next five years?
- What does the agency appear to do well and what does it need to do better?
- Identify and describe alternatives for raising revenue, reducing expenses and other balancing techniques.
- Describe the impact of these alternatives on the agency and its stakeholders, including possible trade-offs, spillovers and externalities.

III. Recommendations - Recommended Course of Action

- Describe your conclusions, including your recommended solution (s)
- Address political, organizational and economic conditions that may affect successful implementation of your choices
- What outside the box approaches might be appropriate?
- How will this advance mission and sustainability?
- Summarize a monitoring and evaluation plan that defines success and includes a financial risk management component.

ATTACHMENT E

College Requirements and the Capstone Project

The individual capstone project will fulfill the requirement for a graduate exit examination for Masters of Arts students. While the instructor assigns the grade for the assignment as part of the grade for the course, the three member examination committee evaluates separately whether the student achieves successful pass (“Pass” or “marginal pass”). The exam committee is assigned by the Glenn College’s curriculum committee and approved by the School’s director and includes two core faculty members plus the instructor of the class.

Students who fail the written comprehensive exam will be required to stand for an oral examination with the exam committee during which they will have the opportunity to expand further on their answers to the written exam. MA students failing the oral exam will be required to take a second capstone class in a future semester and also successfully pass the comprehensive exam for that course.

An MA student has only two chances to pass the comprehensive exam. Students passing the exam but failing to achieve a “B” or higher in the course will be required to take another capstone class and exam. Both criteria (“B” or higher in the course and “Pass” or Marginal pass on the exam) are required to graduate.

For Master of Public Administration (MPA) students, the comprehensive examination will simply serve as a midterm examination for the course. Completion of the capstone class with a grade of “B” or higher satisfies the School's capstone requirement for the MPA degree. All other degree requirements must also be successfully met in order to graduate (See Master’s Handbook for full requirements).

Summary

Individual project = 1st midterm = comprehensive exam for JG School

Group project = final exam for course

SAMPLE