



**Public Affairs 7930 3 Credit Hours**  
**CAPSTONE STRATEGIC BUDGETING AND FINANCIAL MANAGEMENT**  
 (Rev 1/8/17)  
**Spring 2018**  
**Mondays 5:30-8:15pm**  
**Page Hall, Room 110B**

## INSTRUCTORS

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## 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. This course is intended to serve both students with a finance specialization and students with a more general management orientation. 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 case studies. Class sessions will include discussions of that week's readings, guest speakers, in class exercises and time for group projects. 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 TEXT**

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

### **SUPPLEMENTAL TEXT**

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](http://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.

Additional readings can be found on Carmen and are indicated by an asterisk in the reading list 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.

In class exercise will be given the fifth week of the semester. It will be an open book essay mini exam focused on Strategic Budgeting. It will be worth 10% of the total grade.

Final (Group Project) – students will work in three 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 is worth 30% of your grade. See Attachments C, D and E for more details.

Take Home Exercises – students will be expected to submit three short (one page) memos on individual topics spread out through the semester. These will be worth 5% each (15% in aggregate). The first assignment will be handed out in the first class session. It will be due the second session (1/22/18).

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. Students will also be required to prepare questions about the readings for one class session each. More information about this assignment will be distributed at the first class session. Class participation will be worth 15% of the total grade.

## **GRADING SUMMARY**

Grading weights are summarized below:

Indiv Capstone Paper/Midterm	30%
In Class Exercise	10%
Group Capstone/Final	30%
Take Home Exercises (3)	15%
<u>Class Participation</u>	<u>15%</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.

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.

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](http://www.northwestern.edu/uacc/8cards.html)

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

## GLENN COLLEGE DIVERISTY STATEMENT

The Glenn College is committed to nurturing a diverse and inclusive environment for our students, faculty, staff, and guests that celebrates the fundamental value and dignity of everyone by recognizing differences and supporting individuality. We are dedicated to creating a safe space and promoting civil discourse that acknowledges and embraces diverse perspectives on issues and challenges that affect our community.

## ACCOMODATION POLICY

The University strives to make all learning experiences as accessible as possible. If you anticipate or experience academic barriers based on your disability (including mental health, chronic or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. **SLDS contact information:** [slds@osu.edu](mailto:slds@osu.edu); 614-292-3307; [slds.osu.edu](http://slds.osu.edu); 098 Baker Hall, 113 W. 12<sup>th</sup> Avenue."

## **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](http://ccs.osu.edu) or calling 614-292- 5766. CCS is located on the 4th Floor of the Younk Success Center and 10<sup>th</sup> Floor of Lincoln Tower. You can reach an on call counselor when CCS is closed at 614--292--5766 and 24 hour emergency help is also available through the 24/7 National Suicide Prevention Hotline at 1--800--273--TALK or at [suicidepreventionlifeline.org](http://suicidepreventionlifeline.org). Also, the OSU Student Advocacy Center is a resource to help students navigate OSU and to resolve issues that they encounter at OSU – visit <http://advocacy.osu.edu/> .

## **ATTACHMENTS**

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

**ATTACHMENT A**  
**Class Schedule**  
**Public Affairs 7930**  
**Spring 2018**

<u>Session</u>	<u>Date</u>	<u>Theme</u>
<b>Part One: Strategic Budgeting</b>		
1	1/8	Course Overview
	1/15	<i>MLK Holiday</i>
	1/21	<i>Capstone Paper Topic Due (via email)</i>
2	1/22	Linking Planning and Budget <i>Take Home Exercise #1 Due</i>
3	1/29	Analyzing Financial Information
4	2/5	Sustaining Mission
<b>Part Two: Strategic Financial Management</b>		
5	2/12	Managing Financial Information
6	2/19	Managing Multiyear Financial Projections <i>In Class Exercise</i>
7	2/26	Asset Management (Capital and People)
8	3/5	Asset Management (Cash and Debt) <i>Individual Paper (Midterm) Due</i>
	3/12	<i>Spring Break</i>
9	3/19	Financial Risk Management
	3/24	<i>Selections for Group Capstone Due (via email)</i>

**Part Three: Integration**

10	3/26	Strategic Communications
11	4/2	Thinking Outside the Box Strategically
12	4/9	Special Topic
13	4/16	Tying It All Together <i>Project Presentations I</i>
14	4/23	Dashboards <i>Project Presentations II</i>
	4/30	<i>Group Project Reports Due</i>

**ATTACHMENT B**  
**PA 7930 Reading List**  
**Spring 2018**

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, "Characteristics of a Successful Strategic Plan," Best Practices Report # 3, (2001).
  - \*Kaplan and Martin, "Four Barriers to Implementation." *CPA Trend lines*, November 2010.
  - Case Study: OSU College of Engineering at [engineering.osu.edu/strategic-plan](http://engineering.osu.edu/strategic-plan)
  
3. Analyzing Financial Information
  - Proctor, "Profit Making by Nonprofits," 51-56.
  - \*GFOA, "Use of Trend Data."
  - Weikert, "Cost Analysis," 68-87 and "Understanding Revenues," 187-207
  - \*Massey and Tedeschi, "When Data Guys Triumph." *New York Times*, 10/1/11
  - Case Study: City of Dublin at [dublinohiousa.gov/finance](http://dublinohiousa.gov/finance)
  
4. Sustaining Mission
  - Proctor, "Effective Budgeting," 36-62 and "Sustaining Mission," 118-146
  - \*Jones, Strategic Budget," 9-15
  - \*Edwin Thomas, "The Challenge of Cutback Management," *Public Policy & Practice*, Jan-Mar 2002.
  - Case study: Franklin County at [budget.franklincounty.ohio.gov](http://budget.franklincounty.ohio.gov)
  
5. Information Management
  - Proctor, "Focusing on Mission," 78-115
  - Weikart, "Accounting & Reporting," 88-131
  - \*GFOA, "Relationship between Budget & Financial Information."
  - \*Walters, "Are CAFR's Useless?" *Governing*, Sept 2012.
  - \* ASQ, "Benchmarking," (2015)
  - Charity Navigator at [charitynavigator.org/](http://charitynavigator.org/)

Case Study: United Way at [liveunitedcentralohio.org/about-us/financials/](http://liveunitedcentralohio.org/about-us/financials/)

## 6. Multiyear Forecasting

Weikart, "Financial Analysis," 123-186

\*Chen et al, "Multiyear Plans and Analysis," *Budget Tools* (2009)

\*Silver, "Introduction" to *The Signal and the Noise*, (2013), 1-15

Case study: Worthington Schools at [worthington.k12.oh.us/page/2833](http://worthington.k12.oh.us/page/2833)

## 7. Asset Management (Capital & Human)

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

Weikart, "Investment Strategy," 266-287.

\*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 & Debt)

\*GFOA, "Cash Flow Management."

\*GFOA, "Investment Policy."

\*GFOA "Diversification."

\*GFOA, "Debt Management."

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

Weikart, "Investment strategy," 266-287.

## 9. Financial 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

\*GFOA Internal Controls."

Weikart, "Internal Controls," 288-301

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

## 10. Communications Management

Proctor, "Communications," 147-165

\*Jones, "Strategic Budget," 16-19

\*GFOA, "Providing a Concise Summary."

\*GFOA, "Presenting Capital Budgets."

Barrett & Greene,” The Missing Pieces of State Budgets,” *Governing*, 12/17/15

#### 11. Outside the Box

Weikart, “Non-Profits,” 1-13.

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).

\*National Council for Public-Private Partnerships,” Testing Tradition: Assessing the Added Value of Public –Private Partnerships,” NCPP.org (2013)

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

\* Obsigin Lab “Social Entrepreneurship.”

\*University of Michigan, “Strategic Sourcing,” (2012).

#### 12. Special topic (TBD)

#### 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.”

#### 14. Dashboards

\*Bridgespan Group,” Refreshing Your Nonprofit Dashboard, “2012.

\*Nonprofit Assistance Fund, “What Gauges Belong on Your Dashboard?” 2013.

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

GFOA = Government Financial Officers Association ([www.gfoa.org](http://www.gfoa.org)).

NASBO = National Association of State Budget Officers ([www.nacubo.org](http://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 8<sup>th</sup> week of the semester (March 5) 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 16 or the 23d. The completed group paper will count as the final exam for the course. It is due April 30th. 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?
- 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.
- Does the agency appear to be financially sustainable? Why or why not?

#### **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?
- What should the Five Year Financial Plan look like?
- 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 two 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 College’s director and includes a core faculty member 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 = 1<sup>st</sup> midterm = comprehensive exam for JG College

Group project = final exam for course