

PUBPOL 522: FINANCIAL MANAGEMENT AND BUDGETING AUTUMN QUARTER 2018

“A” Section Lecture: Monday and Wednesday, 10-11:20am

“B” Section Lecture: Monday and Wednesday, 2:30-3:50pm

Parrington Hall 108

Quiz Section AA: Thursday, 10:30am – 11:20am

Quiz Section AB: Friday, 9:30am – 10:20am

Quiz Section BA: Thursday, 10:30am – 11:20am

Quiz Section BB: Friday, 9:30am – 10:20am

Course Website: <https://canvas.uw.edu/courses/1224791>

Instructor: Justin Marlowe

Office Hours: M and W, 11:30am-1:30pm

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See the course Canvas page for Quiz Section information.

Description and Objectives:

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

1. Identify, compare, and contrast the basic revenue and expense/expenditure structures for different types of public sector organizations. Understand how financial resources flow vertically and horizontally through intergovernmental relationships and cross-sector sharing.
2. Evaluate an organization’s financial health and the most pressing threats to that health; identify strategies that improve on the organizations financial position and operating performance.
3. Persuasively communicate strategies to a set of key-stakeholders and successfully advocate in support of a program or organization.
4. Determine what public sector programs and services cost. To make those determinations you will apply the principles of cost analysis, cost allocation, and cost-based decision making.
5. Prepare the four essential financial management spreadsheets for a public organization – 1) operating budget; 2) program budget; 3) cash flow forecast; and 4) financial ratio analysis – and use those spreadsheets to inform critical decisions about program design, personnel management, resource allocation, and policy development.
6. Understand the key institutions, processes, incentives, and politics that shape how public organizations allocate their scarce financial resources.

Required Materials:

There is one required textbook: Kioko, Sharon and Marlowe, Justin (2017). Financial Strategy for Public Managers (2ed). It includes all the relevant cases, exercises, and other materials for the course. It's currently available [electronically](#) and at the University Bookstore.

I may also assign newspaper articles or other short readings throughout the quarter. Watch the Canvas page for updates.

Course Policies:

- Please let me know immediately if you have a disability that might inhibit you from demonstrating your comprehension of the course material. I will make appropriate accommodations.
- I encourage you to bring a notebook or tablet computer to class, but please do not spend time in class using social media or doing work not related to this class. If you can't fully engage, stay home.
- Try to communicate with me in person. To that end, I encourage you to come to office hours (Monday and Wednesday 2:00pm through 4:00pm). Note I'll probably limit our meeting to fifteen minutes. That's not to discourage you from coming to office hours, but rather to make sure I can see as many students as possible. If you need more than fifteen minutes, or if you can't attend office hours, feel free to send me an email at jmarlowe@uw.edu and list three times you're available to meet. I'll do my best to respond promptly. Note, I may also be able to address your questions before or after class, in the hallway around Parrington, or over the phone if you're off-campus.
- Let me know if you plan to miss a class. I don't take attendance, but I'd appreciate knowing if you'll miss several classes, mostly so that I can anticipate if you might need additional assistance or accommodations.
- You'll be expected to complete two assignments and two exams. Note, I do not offer extra credit in this course.

Course Structure and Expectations:

You will learn through several modalities:

- Most class sessions will focus on conceptual and analytical material contained in the text. We'll review problems included in the text. I'll demonstrate solutions to those problems and answer questions. In some instances, I'll use a case to illustrate how the concepts and techniques you're learning inform decisions and strategies. To that end, you're expected to have reviewed the assigned reading materials in advance of class meetings and discussion sections.
- We've created a series of videos as a supplement to the lectures and readings. You can access these videos through Panopto on the course Canvas page. We strongly recommend that you watch each video prior the assigned quiz section or lecture meeting.

- Discussion sections will focus on applications and technical skills, in particular the spreadsheets you'll need to complete for the Financial Statement Analysis and Cascadia Hearing School assignments. Your section TA will demonstrate how to develop and use these spreadsheets and assist you as you prepare your own versions of those spreadsheets.

Grading:

Assignments and exams are weighted as follows:

QUIZ/ASSIGNMENTS/EXAM	% OF YOUR GRADE
Financial Statement Analysis (Wednesday, October, 24)	15%
Midterm Exam (Monday, November 5 in PACCAR Hall 192)	25%
Budget Strategy for Cascadia Hearing School (Wednesday, December 5)	25%
Final Exam (Monday, December 10)	35%
TOTAL	100%

Assignments: You will need to complete two assignments. Instructions for each assignment are posted on Canvas. You will submit your completed assignment (Microsoft Word and Excel – no PDFs please) on Canvas. Be sure to check you have submitted the correct files. Note: I do not accept assignments submitted to me via email. I will also not accept assignments that are submitted late without prior arrangement.

- “Financial Statement Analysis”: You’ll need to complete a financial statement analysis for a nonprofit organization or a local government. See the assignment description for details. Assignment 1 is due 5pm Wednesday, Oct. 24th.
- “Budget Strategy for Cascadia Hearing School”: This assignment will test your ability to apply and communicate budget strategies for a medium sized organization. To that end you will need to develop a program budget and a monthly budget using Microsoft Excel. You are expected to use these spreadsheets to recommend a series of financial “next steps.” See the assignment description for details. Assignment 2 is due 5pm Wednesday, Dec. 5th.

Exams: In addition to the course assignments, you will need to complete two in-class exams. You have your first mid-term exam scheduled for Monday, Nov. 5th, 10-11:20am OR 2:30-3:50pm in Parrington Hall 108. Your final exam is scheduled for Monday, Dec. 10th, 8:30-10:20am OR Tuesday, Dec. 11, 2:30-4:20pm – in Parrington Hall 108. Please let me know immediately if you have any conflicts or cannot make it to the exam at the scheduled time.

Your weighted average grade will be used to determine your numeric grade point. In assigning grades, I will follow the grading system required by [University of Washington Graduate School](#). Please refer to the Student Handbook regarding your course grades and overall grades in the program. Keep in mind that a minimum of 2.7 is required in any core course in the MPA curriculum. A minimum cumulative grade-point average of 3.0 is required for graduation.

Weighted Average	Numeric Grade Point	Letter Grade	Weighted Average	Numeric Grade Point	Letter Grade	Weighted Average	Numeric Grade Point	Letter Grade
>96.0%	4.0	A	85.9% - 84.0%	3.4	B+	73.9% - 72.0%	2.8	B-
95.9% - 94.0%	3.9		83.9% - 82.0%	3.3		71.9% - 70.0%	2.7	
93.9% - 92.0%	3.8	A-	81.9% - 80.0%	3.2		<69.9	2.0	
91.9% - 90.0%	3.7		79.9% - 78.0%	3.1				
89.9% - 88.0%	3.6		77.9% - 76.0%	3.0	B			
87.9% - 86.0%	3.5		75.9% - 74.0%	2.9				

COURSE SCHEDULE

Date	Lecture Topic and Preparation
Wednesday, September 26	Introductions and Overview Watch: "Introduction to Excel"
Monday, October 1	How We Pay for the Public Sector Read: Kioko and Marlowe, pp. 1-36
Wednesday, October 3	Basic Financial Statements for Non-Profits Read: Kioko and Marlowe, pp. 37-67 Watch: "Basic Financial Statements for Non-Profits" Review: Financial Statements for Village Theater
Monday, October 8	Basic Financial Statements for Governments Read: Kioko and Marlowe, pp. 67-77 Watch: "Basic Financial Statements for State and Local Governments" Review: CAFR for City of Redmond, WA
Wednesday, October 10	No Regular Class Meeting - Work on Financial Statement Analysis Assignment
Monday, October 15	Financial Statement Analysis Read: Kioko and Marlowe, pp. 78-92 Watch: "Financial Statement Analysis for Non-Profits" AND "The Ten Point Test" Review: 1) Financial Statements for Village Theater; 2) Non-Profit Financial Ratio spreadsheet; CAFR for the City of Redmond, WA; 4) Ten Point Test spreadsheet

Wednesday, October 17	Financial Position and Financial Strategy Read: Kioko and Marlowe, pp. 93-95
Monday, October 22	Transaction Analysis - Part I Read: Kioko and Marlowe, pp. 113-127 Watch: "Introduction to Transaction Analysis" Review: Transactions Practice Problems, "K&M"
Wednesday, October 24	Transaction Analysis - Part II Read: Kioko and Marlowe, pp. 127-131 Review: Transactions Practice Problems, "Starving Artist Center"
Monday, October 29	Preparing the Financial Statements Read: Kioko and Marlowe, pp. 145-150 Review: Transactions Practice Problems, "Imaginary Medical Center"
Wednesday, October 31	Government/Modified Accrual Transactions Read: Kioko and Marlowe, pp. 131-135 Review: City of Davison transactions (Kioko and Marlowe p. 137)
Monday, November 5	Midterm Exam
Wednesday, November 7	Cost Analysis Read: Kioko and Marlowe, pp. 151-157 Watch: "Introduction to Cost Analysis in Excel"
Monday, November 12	No Class - Veterans' Day

Wednesday, November 14	<p>More on Cost Allocation</p> <p>Read: Kioko and Marlowe, pp. 157-167</p> <p>Watch: "Cost-Based Decision-Making" (Coho Adult Day Services" case, Kioko and Marlowe, pp. 180-181)</p>
Monday, November 19	<p>Relevant Cost Analysis</p> <p>Read: Kioko and Marlowe, pp. 167-176</p>
Wednesday, November 21	<p>No Regular Class Meeting - Work on Cascadia Assignment</p>
Monday, November 26	<p>Guest Panel of Budget Analysts</p> <p>Panelists: TBA</p>
Wednesday, November 28	<p>Budget Variance</p> <p>Read: Kioko and Marlowe, pp. 176, 182-183</p> <p>Review: "Snow Removal" case (Kioko and Marlowe, pp. 182-183)</p>
Monday, December 3	<p>Budget Process, Politics and Strategy</p> <p>Read: Kioko and Marlowe, pp. 184-199</p>
Wednesday, December 5	<p>Catch-Up/Final Exam Review/Course Evaluation</p>