AP/ADMS/PPAS 3524 3.0 M
Public Sector Budget Process Course Outline

Winter 2023

Date and Location: Tuesdays – 7-10 pm in SLH E
Course Director: Dr. Peter P. Constantinou
Telephone: 647-278-8790
E-mail: peter.constantinou@rogers.com
Office hours: Tuesdays 6pm-7pm or by appointment

Land Acknowledgment

York University recognizes that many Indigenous Nations have longstanding relationships with the territories upon which York University campuses are located that precede the establishment of York University. York University acknowledges its presence on the traditional territory of many Indigenous Nations. The area known as Tkaronto has been care taken by the Anishinabek Nation, the Haudenosaunee Confederacy, and the Huron-Wendat. It is now home to many First Nation, Inuit, and Métis communities. We acknowledge the current treaty holders, the Mississaugas of the Credit First Nation. This territory is subject of the Dish with One Spoon Wampum Belt Covenant, an agreement to peaceably share and care for the Great Lakes region (LA&PS Land Acknowledgement).

COURSE DESCRIPTION:

This course examines the key issues and context of the budget process and the increasing importance of oversight, transparency and accountability in the public sector in Canada. It assesses current approaches to budget policy, fiscal management and accountability frameworks. Prerequisites: AP/ECON 1000 3.00, AP/ECON 1010 3.00, AP/ADMS 2500 3.00 (or AP/ADMS 1500 3.00 or AP/ADMS 1550 3.00). Course credit exclusions: None.

Students who have completed courses that are similar to the prerequisite courses and would like to know whether they meet the prerequisite requirements should contact the course coordinator, Professor Joanne Magee (jmagee@yorku.ca). Students not meeting the prerequisite requirements may be dropped from the course. You must resolve your prerequisite situation (by contacting Professor Joanne Magee) before February 7th, the last day to enroll with permission.

Required Text:

Graham, Andrew. 2019. Canadian Public-Sector Financial Management, 3rd Edition, McGill-Queen's University Press.

Budget, Printed Estimates and Public Accounts material from various online government sources will also be used. Students are also expected to keep appraised of current events, particularly those that involve major public policy issues (e.g. health care, pensions, crime, transit) and financial matters (e.g. the economy, taxes, Bank of Canada).

This course is aimed at non-financial majors who nevertheless should possess basic principles and knowledge of financial matters given the continued trend of scarce fiscal resources in the public sector. It examines the key issues and context of the public sector budget process and the increasing importance of oversight, transparency and accountability in the public sector. All phases of the budget cycle are examined: from fiscal forecasting, to tax and expenditure policy formulation, budget development, planning and program design, performance measurement, evaluation and reporting.

A variety of topics will be addressed including:

- The budget cycle and processes
- Public sector accounting principles
- The increased profile of budget consultations
- The increased influence of the Auditor General and the Financial Accountability Officer
- Budgetary implications of changing demographics and intergenerational equity
- The increased role and importance of government accountability and performance management
- The politics of public sector budgeting and financial management

Learning Outcomes:

Upon completion of this course, students should be able to:

- Have an in-depth understanding of budgeting and financial management in Canada
- Develop the capacity to critically assess current approaches to budget policy, fiscal management, and accountability frameworks in the public sector.
- Be able to Identify and critically assess the implications of public sector budget decisions, issues and alternative policy approaches.
- Be able to analyze a budget and prepare expenditure reductions and defend budget policy positions/decisions in a simulated cabinet format.
- Level-up skills related to analysis, teamwork, leadership, participation, and making presentations.

Classes will comprise various formats; lecture, class discussion, workshops and simulations. Lectures will provide the context for the readings, which must be completed before class as discussions will build on the readings and lecture material and all students are expected to actively participate. In a number of instances, workshops will be conducted where students will be charged with working together in groups to produce results/answers to questions/challenges presented in class. These workshops will focus on how to conduct/prepare various analyses and government documents

Learning to work together in teams is an important aspect of your education and preparation for your future careers. Your work in relation to your group/team assignment may also be taken into

consideration when calculating your participation grade. When working as a team, each team member is expected to:

- Treat other members with courtesy and respect;
- Establish a positive and productive team dynamic;
- Contribute substantially to the group assignment; and,
- Ensure familiarity with the entire contents of the assignment.

About eClass

eClass is the learning platform used by York University to allow us to have a personalized learning platform/environment for our course. The free site allows us to access all the materials, such as slide decks, assignments and videos, as well as a secure site for us to upload student work for assessment.

Here are some useful links for student computing information, resources, and help:

- Student Guide to eClass
- Zoom@YorkU Best Practices
- Zoom@YorkU User Reference Guide
- University Information Technology (UIT) Student Services
- Student Guide to eLearning at York University

If we cannot have our class on campus for some reason, we will use Zoom. As well, office hours may be by Zoom. Students shall note the following:

- Zoom is hosted on servers in the U.S. This includes zoom recordings.
- If you have privacy concerns about your data, provide only your first name or a nickname when you join a session.
- The system is configured in a way that all participants are automatically notified when a session is being recorded. In other words, a session cannot be recorded without you knowing about it.

Lectures

Each lecture will consist of a formal presentation, outlining key lessons and learning outcomes for each of the weeks and themes. In the lecture, we will raise your awareness of the application of the material from the assigned readings, present the best information we have based on leading research, and will highlight best practices and practical realities that have emerged. The lectures will not replace the necessity to have completed your readings assigned for each week, rather, they will draw out key lessons and focus on their application. Each week lecture slides will be posted on the course website. It is very important that you attend all of the lectures.

Note: If you are registered with Student Accessibility Services, please contact me immediately to ensure that I have a copy of your Letter of Accommodation.

Private Third-Party Tutoring Companies, Academic Honesty and Support Resources

Many private, third-party tutoring companies advertise their services to YorkU students. One way you can help eliminate these advertisements is by changing your eClass profile settings to private (**see instructions below**). Some of these private companies claim to be affiliated with, or recognized and supported by, York University. Some also claim to help you by providing you with quiz and test answers, suggesting that this practice is safe and permitted by York. These claims are **not** true. York University has not officially recognized or endorsed any third-party tutoring service. Officially supported resources to help students learn course material are provided free by YorkU.

When you are provided with quiz, test and exam answers, you run the risk of violating the **university's academic honesty policy**. Students have been caught using these services to cheat and gain unfair advantage over honest students. The cheating students and "tutors" have received academic dishonesty punishments ranging from failing courses, to being expelled, to losing their YorkU degrees.

To hide your email address in eClass to prevent unwanted emails, please follow the following steps:

1. Click your name on the top-right of the eClass website, then click "Profile" on the drop-down menu;
2. Under "User details" click "Edit profile";
3. From the "Email display" drop-down menu choose "Hide my email address from non-privileged users";
4. Scroll to the bottom of the page and click on the "Update profile" button.

Evaluation:

Assessment	Value	Due date
Budget Building Exercise (Group)	10 %	Week 4
Budget Simulation Presentation (individual)	20 %	Week 9-10-11
Budget Simulation Final Submission (Group)	30 %	Assignments are due at the start of the class you are presenting in (Week 9-10-11)
Class Participation	20 %	**Throughout each class** *Informal feedback will be available so students can track their progress*
Final Term Test	20	Week 8

WRITTEN ASSIGNMENTS:

Students are required to submit two written assignments. All written assignments must be typed using a 12-point font with 1-inch margins, single spaced. Papers must conform to the page limits specified. **Papers must be properly cited and include a bibliography using APA citation standard.** Papers will be marked for proper spelling, punctuation and grammar (this is key to briefing senior ministry officials and the Minister).

NOTE: ***All assignments are expected to be handed in on time. If you expect to have difficulty in completing an assignment on time, please discuss this with the instructor in advance of the due date.*** **Assignments will not be accepted if they are not submitted on time.**

GRADING/ASSESSMENTS:

Students will be evaluated through a combination of individual and group written and verbal assessments. Each assessment has been designed based on the learning outcomes for this course.

Budget Building Exercise

Students will be randomly assigned to work in a group. Each group will receive a call for proposals requesting a budget to support a policy and program objective. Each group will outline/design a budget according to the assumptions/conditions outlined in the call for proposals. Each group will present their proposal in class.

Budget Simulation Presentation and Final Report

Students are asked to select an Ontario Ministry and engage in a group simulation whereby each student is a member of the Ontario Cabinet and forced to present to their colleagues a proposal for a 12% in-year budget reduction. In addition to indicating how they propose to find the savings, "ministers" must discuss the politics of their proposed budget cuts and convince the Cabinet that their plan is politically doable. In week 9, 10 and 11 students present their plan to their Cabinet colleagues (approx. 10 minutes) and share with their colleagues an executive summary/handout.

As part of the simulation, students will be evaluated on both their presentation and handout. *Two components must be present in both efforts – where the cuts will be made (i.e. what programs/spending will be affected and how) as well as the politics of the choices of spending cuts, and how the decision will be sold/justified to the public. More detail on the assignment will be provided by the instructor.*

You are the minister/deputy minister for a particular Ontario government portfolio. You have just learned that all ministries will have to further reduce their budgets for this business plan by a further 12% - something that you have not planed for at all – in order to meet deficit reduction targets. One rule in particular applies – there can be no 12% across the board cut.

Some options:

- Reduce the number of employees by:
    - Placing a freeze on the filing of vacancies
    - Offering inducements for early retirement
    - Seeking volunteers for temporary leave or for extended maternity leave
    - Ordering mandatory leave or furloughs
    - Reduction of work hours
    - Increasing the work week

- Reducing the Costs of Employees by:
    - Deferring contractual and other pay increases
    - Reducing costs associated with fringe benefits
    - Shutting-down provincial offices and/or specific services
    - Cutting pay especially for salaried (non-contractual) staff
    - Lagging (or delaying) payrolls

Note: Any or all of these options may place you into a conflict with public service unions and, potentially, even private sector unions especially if collective agreements are in place.

Some other options available might include:

- *Contracting out* – where a government enters a legal contract with a private entity to provide some service
- *Franchising* where a government grants a private sector organization exclusive rights to provide a service in a specifically defined geographical area
- *Revenue Diversification* seeking our private or philanthropic organizations willing to provide financial assistance to a program
- *Partnerships and Joint ventures* sharing of costs with private sector and volunteer organizations
- *Privatizations* – sale of a government asset or service sector to the private sector
- *Closing facilities*; schools, hospitals, prisons, libraries and may be converted to alternate uses
- *Reducing support* for particular programs on the ground, e.g. Disabled and Handicapped facilities; Young Offenders' Rehabilitation programs, Cancer research.
- *Tighten-up entitlement criteria*, e.g. access to facilities (hours of operation), welfare payments, etc.

Assignment Details

You are expected to present (in 10 minutes or less) your plan for how you will meet the budget reduction target at the Cabinet Meeting. After each Minister makes their presentations, Cabinet will debate the issue and will make a decision as to how cuts are made.

Beyond the arguments in support of why you would make such reductions, you should, where

possible, support your arguments with estimates of the savings. Effort should be made to ensure that estimates should be a realistic as possible. Beyond the Business Plan that you have been provided, you are certainly welcome to augment your effort with additional research/information about your particular ministry. Additional information can be obtained on the Ontario Government Web Site (and those of individual ministries and the Ministry of Finance for budget documents).

Assumptions - Assume that the numbers in the business plan are from this year and that you are 6 months into the fiscal year (i.e. you have 6 months to go before the end of the fiscal and 6 months for you to achieve your savings).

Remember – You must do two things in your presentation - you must outline your reductions (i.e. how you are going to achieve the savings) and you must sell your colleagues on the politics of your choices (i.e. why your choice of reductions is politically doable).

Each of these two parts of the assignment is important. Every year there are students who only do the first part – they are only eligible to earn half marks for the assignment. Don't be like them - please do both parts. The more detail the better and the greater distinction between administrative and political advice, the better the result.

Class Participation:

For this course to work, students must participate in class discussion. In a class of this size it is impossible for all students to participate all the time. Students should, however, strive to attend class, demonstrate that they have read the assigned readings, thought about the material and the discussion at hand, and add value to the classroom discussion. *Students are strongly encouraged to prepare for class by completing the readings, and participate in the discussion/simulations/breakout exercises.*

Class Participation Expectations

Activity/Expectation	**Point Value per half term** (weeks 1-6 and 7-12, excl. week 10 for exam)
• Sporadic attendance/not punctual • Passive attendance most of the time	1
• Good attendance/punctual • Awake/attentive most of the time	2
• Above, plus: • Regularly participates – demonstrating a contribution to the discussion • Does not necessarily demonstrate a preparedness or command of the reading • Perhaps a cursory understanding of the topic	3
• Above, plus: • Regularly and clearly prepared by reading the material • Actively seeking to be engaged in the discussion • Does not over participate or dominate the conversation • Respectful of other opinions • Does not participate just for the sake of participating, but to make a contribution to the collective understanding of the issue/topic	4
• Above, plus: • Fully engaged at a superior level • Not only demonstrated a command of the material, but brings reflections/thoughts to the conversation • Takes a leadership role in the presentation of ideas • Contribution is thoughtful, does not take the classroom discussion off track • Brings questions to class that are provocative • Successfully brings in personal/work experiences that enhance/enrich the discussion	5

Term Test

The term test is a take home assignment that will be based on a question/challenge provided to by the instructor at the start of class on Week 12 and is due at the end of class that same day. There is no in-person class that day – the questions will be available via eClass and answers should be uploaded for grading. Details about the format will be provide well in advance.

Week	Date	Lectures and Topics/Readings/Assignments/Due Dates
1	Jan. 10	**Introduction** ● Review of the objectives of the course ● Review of timetable and expectations **Financial Management in the Public Sector** ● Chapter 1
2	Jan. 17	**Public Sector Accounting Principles Accrual Accounting** ● Chapter 2 and 3 **Discuss Budget Simulation Assignment**
3	Jan. 24	**The Budget Process (Part 1)** ● Chapter 4 and 5
4	Jan. 31	**The Budget Process (Part 2)** ● Chapter 6 and 7
5	Feb. 7	**Managerial Control** ● Chapter 8
6	Feb. 14	**In-Year Budget Management** ● Chapter 9 **Accountability and Reporting** ● Chapter 10 and 13
	Feb 21	**Reading Week (No Class)**
7	Feb 28	**Financial Strategies – The Budget Games People Play** ● Appendix 1 **Performance Measurement** ● Chapter 12
8	March 7	**Term Test – no class – questions available via eClass**
9	March	**Budget Simulation**
10	March	**Budget Simulation**
11	March	**Budget Simulation**
12	April 5	Guest speaker

Please see: http://sas.laps.yorku.ca/students/ for Relevant University, Faculty and School regulations on

- If a Final Exam is missed due to illness (Deferred Final Exams)
- Academic Honesty
- Grading Scheme and Feedback Policy
- In-Class Tests and Exams - the 20% Rule
- Reappraisals
- Accommodation Procedures
- Religious Accommodation
- Academic Accommodation for Students with Disabilities

Participation Rubric – Expectations

Activity/Expectation	**Point Value per half term** (weeks 2-6 and
● Sporadic attendance/not punctual ● Passive attendance most of the time	1
● Good attendance/punctual ● Awake/attentive most of the time	2
● Above, plus: ● Regularly participates – demonstrating a contribution to the discussion ● Does not necessarily demonstrate a preparedness or command of the reading ● Perhaps a cursory understanding of the topic	3
● Above, plus: ● Regularly and clearly prepared by reading the material ● Actively seeking to be engaged in the discussion ● Does not over-participate or dominate the conversation ● Respectful of other opinions ● Does not participate just for the sake of participating, but to make a contribution to the collective understanding of the issue/topic	4
● Above, plus: ● Fully engaged at a superior level ● Not only demonstrated a command of the material, but brings reflections/thoughts to the conversation ● Takes a leadership role in the presentation of ideas ● Contribution is thoughtful, does not take the classroom discussion off track ● Brings questions to class that are provocative ● Successfully brings in personal/work experiences	5