

Course # & Title		
Course Instructor		Email:
Office		
Office Hours		Phone:
Format		
Grading Scheme		

LEARNING OUTCOMES

COURSE TOPICS

SELECTED COURSE TEXTS & READINGS

### **ACADEMIC INTEGRITY:**

Academic Integrity is constituted by the five core fundamental values of honesty, trust, fairness, respect and responsibility (see [www.academicintegrity.org](http://www.academicintegrity.org)). These values are central to the building, nurturing and sustaining of an academic community in which all members of the community will thrive. Adherence to the values expressed through academic integrity forms a foundation for the "freedom of inquiry and exchange of ideas" essential to the intellectual life of the University (see the Senate Report on Principles and Priorities [www.queensu.ca/secretariat/policies/senate/report-principles-and-priorities](http://www.queensu.ca/secretariat/policies/senate/report-principles-and-priorities)).

Departures from academic integrity include plagiarism, use of unauthorized materials, facilitation, forgery and falsification, and are antithetical to the development of an academic community at Queen's. Given the seriousness of these matters, actions which contravene the regulation on academic integrity carry sanctions that can range from a warning or the loss of grades on an assignment or the failure of a course to the rescinding of a degree.

### **ACCOMMODATION FOR STUDENTS WITH DISABILITIES:**

Students with physical and learning disabilities must contact the instructor as soon as possible in order for accommodations/modifications for course expectations to be made.

Queen's University is committed to achieving full accessibility for persons with disabilities. Part of this commitment includes arranging academic accommodations for students with disabilities to ensure they have an equitable opportunity to participate in all of their academic activities. If you are a student with a disability and think you may need accommodations, you are strongly encouraged to contact Queen's Student Accessibility Services (QSAS) and register as early as possible. For more information, including important deadlines, please visit the QSAS website at: <https://www.queensu.ca/studentwellness/accessibility-services>

### **COPYRIGHT:**

The link below provides copyright guidelines for students to familiarize themselves with the Copyright Act of Canada:

<https://library.queensu.ca/help-services/copyright-fair-dealing/copyright-guidelines-students-and-users-library>

## **MPA 875 Budget Planning**

May 1-7, 2021

Addendum to Course Outline

### **Course Grade**

**Note of not more than 500 words due Monday, May 3<sup>rd</sup>.** A critique of any budget, or any substantial budget measure from a jurisdiction and a time of your choice. The focus should be on the critique with enough context for understanding. 15 per cent

**Note of not more than 500 words due Wednesday, May 5<sup>th</sup>.** A critique of any budget, or any substantial budget measure from a jurisdiction and a time of your choice. The focus should be on the critique with enough context for understanding. 15 per cent.

**Essay of not more than 2000 words due Monday, June 7<sup>th</sup>.** The essay will be a critique of a jurisdiction's budget. The essay can build upon one of the earlier, brief notes or it can be a new subject. The budget can be from any level of government, from any country and from any year. It is recommended choosing a jurisdiction that has some distinction for having either a good or a weak budget and fiscal policy track record. Among other issues, the note should address: was the budget appropriate for the underlying economic, fiscal and social circumstances; were its policies well crafted; did it advance the government's overall objectives and; was it transparent and accountable. If shortcomings are identified, proposals should be made for how the budget could have been better. The note can delve deeply into a particular theme of a budget, provided the overall context of the budget is addressed. Students will be expected to incorporate their own ideas but should draw upon other sources of opinion on the jurisdiction's budgeting such as the OECD, IMF, economists et cetera. The intent is to be analytical as opposed to merely descriptive. No more than one-third of the essay should be dedicated to describing the situation. The rest should feature analysis and recommendations. 50 per cent.

**Class Participation.** Based on class presentation and participation in class discussion including during presentations from other students. The presentation can be based upon either of the short notes or the subject of the longer essay. Or it can be on a

different subject. The presentation will be brief with the exact length determined once class enrollment is known. 20 per cent.

Assignments are due by 11 p.m. on the indicated dates. 5 per cent will be deducted each day they are late to a maximum of 2 days and then assignments will not be accepted and a grade of zero will be assigned.

## **Tentative Schedule of Classes**

A tentative schedule of classes is set out below. However, the course will be adapted depending upon certain factors such as: expressed interests of students; current events including the release of budgets around the time of the course and; any gaps students perceive in their MPA or PMPA programs to date that could be addressed through this course.

### **May 1**

#### Introduction to the course

- Process and goals of the course
- Survey of students' backgrounds, interests and career intentions

#### Budgets as a reflection of public choice

- Main needs and desires of the public and how they are reflected in budgets
- Budgets as a reflection of "market failures" and the general roles of the public sector in allocation, stabilization and distribution
- Budgets in the context of the 4 general tools of public policy – moral suasion, spending, taxation and regulation
- Mechanisms for translating public needs and desires into budgets (elections, surveys, consultations et cetera)
- Budgets as legislative and financial authority for government actions and spending

#### Budgets as a reflection of "political economy"

- The transformation of budgets in many jurisdictions from a financial accounting to a "political statement"

- The effect of the transformation on broadening involvements in Budgets across Governments
- The identification of “themes” in budgets
- Mapping budget themes for the Government’s “philosophy” and reigning socio-economic and fiscal conditions

Budgets from 3 jurisdictions will be chosen. For their respective budgets we will:

- Identify the major themes and how they were communicated
- Analyze the consistency between the themes and the socio-economic and fiscal circumstances of the jurisdiction
- Infer the balance between the themes reflecting the “philosophy” of the Government and the underlying circumstances

## **May 2**

Distinctions in budget domains and approaches across national and sub-national governments

- Major spending areas for national, sub-national and local governments with emphasis on the Big Three (health, education and pensions)
- Different policy domains
- Different annual cycles
- Different political and legislative processes
- Pros and cons of fiscal federalism

## **May 3**

How governments get the resources to finance their activities

- Forms of taxation and other revenue generation
- Own-source revenues and intergovernmental transfers
- Tax expenditures
- Costs of various forms of taxation

## **May 4**

Key variables in a budget

- Balance

- Debt (gross and net)
- Program spending
- Interest on the public debt
- Revenue (along with tax expenditures)
- Capital spending
- Key ratios with respect to GDP, the “interest bite” et cetera
- Key accounting concepts (such as accrual versus cash accounting)

#### Common objectives for key variables

- Should budgets always be balanced, balanced over the cycle et cetera?
- Are there desirable and undesirable debt burdens?

#### Fiscal rules

- Key examples such as budget balance laws, debt ceilings et cetera
- Helpful or hindrances in theory and practice?

#### Accountability, transparency and assessment of budgets

- Mechanisms
- Evaluation
- Key problem areas such as pensions
- Potential for improvement

#### How budgets become actionable

- Internal deliberations, spending authority, legislation

### **May 5**

#### Dynamics internal to government

- Respective roles of Presidents’/Prime Ministers’ Offices, Cabinet, Central Agencies, Line Ministries, Parliamentary Committees, Senates
- Annual budget cycle

#### Dynamics external to government

- Stakeholder groups, business, citizens, media, watchdogs, think tanks and advocacy groups, international agencies
- Financial markets
- Role and usefulness of “independent” budget agencies (CBO, PBO, Fiscal Accountability Office of Ontario, et cetera), Auditor Generals
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## **May 6**

Budgets in crises

Budgets in the time of COVID-19

Presentations

## **May 7**

When budgets succeed

- Are there factors in common behind jurisdictions that appear to use budgets to achieve economic, fiscal and social success?

When budgets fail

- Why are budgets often pro-cyclical?
- What goes wrong when countries get into deep budget trouble (like Greece, Italy and Spain – or Canada leading to the mid-1990s)
- What internal processes did not work properly?
- Do external forces help or hinder?
- Do financial markets (including rating agencies) exert discipline on budget planning?
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Budget reform

- What elements of budget planning should be reformed/improved across a variety of governments at the national, sub-national and local levels?

Presentations