

PAdm 866: Public Financial Management (3 credit hours)

Instructor:

W. Bartley Hildreth

Prerequisites:

Public Administration 865 - State and Local Government Finance

Or, Instructor's Consent

Course Objectives:

- Read and analyze financial statements;
- Apply accounting, auditing and financial reporting principles;
- Assess cost of service;
- Finance public infrastructure and capital asset projects;
- Manage debt;
- Analyze basic bond transactions;
- Assess cash and the investment of funds;
- Frame financial strategy; and,
- Evaluate financial management policies.

Course Description:

Deals with selected aspects of state and local government financial management. Introduces fund accounting, costing of governmental services, capital budgeting, debt management, and asset management.

Major Topics Covered:

This course primarily focuses on the financial management of state and local government. Overall, the course conveys the application of financial management concepts and tools in the formulation and implementation of financial strategy, especially from the viewpoint of the chief financial officer.

An intensive review of governmental accounting principles prepares students to analyze financial statements. Major areas of asset (cash) and liability (debt) management are examined in terms of information generated for financial decision making. Cost of service builds on budget skills. Capital financing is highlighted, with particular attention to the issuance and management of municipal securities. The concepts and applications of cash management are explored, including the investment of public funds.

This material is consistent with the requirements for several elements of the Certified Public Finance Officer program of the Government Finance Officers Association of the U.S. and Canada (GFOA).

This course employs case study analysis to advance the learning of financial management. Students learn to read and analyze 1) the Comprehensive Annual Financial Report (CARF) of state and local governments, and 2) the official disclosure documents used in the issuance of debt. Recent semesters have had students, working alone or in a group (at their choice), prepare a professional report after analyzing one of a range of topics suggested by area city managers or chief financial officers.

Topics covered include:

Fund accounting

Financial statement analysis

Financial condition

Cost of service analysis

Time value of money and cost-benefit analysis

Capital budgeting

Municipal securities markets

Debt issuance and management

Project finance

Working capital management

Investments

Procurement

Risk management

Financial and performance auditing

Typical Textbooks and Readings:

Xiao Hu (Shawn) Wang. Financial Management in the Public Sector: Tools, Applications and Cases. Armonk, NY: M.E. Sharpe, 2006.

Dean Michael Mead. An Analyst's Guide to Government Financial Statements. Norwalk, CT: Governmental Accounting Standards Board, 2001.

Aman Kahn and W. Bartley Hildreth, editors, Case Studies in Public Budgeting and Financial Management. Dubuque, Iowa: Kendall/Hunt Publishing Company, 1994.

W. Bartley Hildreth. State and Local Government Debt Issuance and Management Service. Austin, TX: Sheshunoff Financial Services, updated yearly.

Jack Rabin, W. Bartley Hildreth, and Gerald J. Miller, editors, Budgeting: Formulation and Execution, Athens, GA: Institute of Government, University of Georgia, 1996.

Additional readings are taken from publications of the Government Finance Officers Association, the Municipal Finance Journal, Public Budgeting & Finance, Economic Development Quarterly, and specialized reports from the credit rating firms, Bloomberg Markets, Congressional Budget Office, and other publishers and web sites.