

Reformulating and Refocusing a Fiscal Administration Curriculum

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**Prepared for
The Annual Meeting of the
Association of Budgeting and Financial Management
October 23-25, 2008
Chicago, Illinois**

Introduction

Public administration programs which regularly go through the NASPAA accreditation process are typically familiar and comfortable with self-study and analysis. Most programs take the accreditation process very seriously and utilize the information gathered in the process as a means of continual quality improvement. Over the years, the Division of Public Administration at Northern Illinois University (NIU) has made many changes in its program in response to new technologies, an increasingly global economy and environment, and pedagogical innovations among other things. Other changes have occurred as a result of feedback from alumni and employers as to skill sets, aptitudes, and approaches needed in the workplace but not prominent in the MPA curriculum.

Several events provided NIU with a window of opportunity to conduct a comprehensive review and assessment of its budgeting and financial management curriculum:

- Hiring of several new faculty with expertise and experience in budgeting and finance
- Return of a senior budgeting/finance faculty member to full-time status in public administration after more than 15 years on joint appointment with an applied research unit at NIU
- Addition of several budgeting and finance professionals to the MPA advisory board
- A new director who was committed to quality improvement and the nurturing of the public administration program.

NIU took advantage of this window of opportunity and undertook successfully a process by which the budgeting and financial management curriculum was scrutinized; additional feedback was solicited and received from alumni, employers, and students; and feedback was used to expand and redefine NIU's fiscal administration curriculum in public administration.

This paper describes the process and outcomes of the comprehensive reassessment of the NIU curriculum. The paper begins with a description of the budgeting and financial management coursework in place before the curriculum exercise, and then moves on to a discussion of the methodology used to conduct the reassessment. The centerpiece of the reassessment was a survey of practitioners and employers regarding key budgeting and finance competencies and skills. The middle portion of the paper discusses the results of this survey and then continues with a discussion of the programmatic response undertaken as a result of the reassessment efforts. The paper concludes with suggestions for how other MPA programs can use this methodology to reformulate and refocus their fiscal administration curriculum.

Prior to the reformulation of the curriculum, NIU offered a single core course in public budgeting and financial management, as well as a fiscal administration specialization within its MPA program. The fiscal administration specialization offered an additional required intermediate course in public sector revenue management and also required a course in accounting for government and non-profit organizations taught by an accountancy faculty member. This accounting class was numbered as a public administration course and enrollment in the course was under the control of the MPA program. An additional advanced course in the politics of public budgeting was also offered. This course was aimed at Ph.D. students but also enrolled many MPA students.

As part of the ongoing feedback loop in the MPA program, each student meets twice a year for academic advising, students complete an annual survey, and graduating students complete exit surveys. In addition, the program coordinator makes site visits to internship sites,

faculty meet two or three times each year with our board of advisers, and we regularly consult our alumni with respect to faculty searches and the Division's strategic plan. The ongoing questions of interest in discussions with the students and alumni include:

- What MPA coursework is particularly relevant in the workplace?
- What MPA coursework has fallen behind administrative practices?
- What relevant skill sets do NIU MPA's lack when they enter the profession?
- What relevant skill sets do NIU MPA's possess that give them an advantage as they enter the profession?
- What skill sets are most relevant for public administration generalists and which skill sets should be the focus of specialized education and training?

The program's ongoing feedback loop suggested that it was time for a comprehensive look at the fiscal administration curriculum. For example, we heard from several of our constituencies that our MPA graduates were notably weak in understanding financial accounting, a topic not covered in the core curriculum and minimally covered in the fiscal administration specialization. In addition, the turnover in the public budgeting and finance faculty resulted in new scrutiny of the content of the core course in budgeting. The description in the course catalog was quite broad:

Examination of the techniques of the public budgetary process and related financial management techniques.

Discussions with newly arrived faculty revealed that the content of the core course varied significantly, depending on the instructor. Each instructor, whether full time or adjunct, was free to interpret the course description and choose which components would be included and emphasized.

As NIU faculty looked more carefully at the syllabi of the existing public budgeting and financial management courses, they perceived that, perhaps reflecting a common practice in academe, much of what was included in the syllabi had gained a spot in the courses primarily because it was covered in standard textbooks in the field. That is, it appeared that in some cases courses had been arranged based on how a textbook presented the field over fifteen weeks rather than on some *a priori* judgment about course content that was followed by a search for texts to deliver those topics in the most effective fashion.

While not at all an indictment of the many fine public budgeting and finance texts available for course use, the question still remained: what ought NIU MPA students learn about public budgeting, public finance, and financial management? Furthermore, what distinctions should be made between the knowledge areas and skill competencies appropriate for students who will be general managers (e.g., city/county managers or assistant managers) and those who aspire to leadership roles in the area of finance and budgeting (e.g., finance directors, budget directors, senior budget and finance analysts)?

NASPAA's *Curriculum Standards for MPA Programs* do not provide specific guidance on what should be required topics in public budgeting and financial management courses. Instead, the standards rely on general statements such as the "common curricular components shall enhance the student's values, knowledge, and skills to act ethically and effectively [i]n the management of public service organizations, the components of which include...budgeting and financial processes." The standards also refer to the need for the MPA curriculum to provide students with an understanding of the public policy and organizational environment, including

economic and social institutions and processes. (See Appendix A for more extensive excerpts from the NASPAA curriculum standards).

The accounting and finance section of the 1992 report of the ICMA/NASPAA Task Force on Local Government Management Education (LGME) (see Appendix A) provides more detailed guidance in this regard. For example, the LGME states:

The local government administrator needs to go far beyond budgeting. Familiarity with accounting and financial reporting, the assessment of financial conditions, knowledge of creative financing techniques, capital financing methods, and cash management are essential. Because they are involved in revenue as well as expenditure policy development, local administrators must understand basic principles of public finance and tax policy.”

This standard for the training of general local government managers was not being fully met by the existing MPA curriculum at NIU. Thus, the gauntlet had been laid down. Beginning with the framework of the general and specialized NASPAA standards (including LGME), and drawing in the alumni and advisory board resources available to us, could we identify a set of specific skills and knowledge areas that could be presented as discrete topics in one or more courses in the MPA program at NIU.

The most important principle the faculty adopted was an agreement to use the survey to develop a framework for the budgeting and financial management coursework in the MPA. The survey would not produce a blueprint that required rigid adherence to a single syllabus for each course, regardless of instructor. Rather, it would provide a list of competencies to be developed in each course, with the individual instructor choosing the texts, articles, cases, and assignments to challenge the students.

Methodology

To begin the process, the budget and finance faculty developed a list of specific skills and knowledge areas that we thought should be provided as part of the budgeting and finance curriculum in the NIU MPA program. We then converted the list into a survey for our alumni and advisory board to ascertain the degree to which they agreed that the selected competencies should be included in the MPA curriculum. Several principles guided the content decisions of the survey:

- Assessment of current curricular content is essential
- Assessment of content not currently in the curriculum is essential
- Assessment of appropriate placement in curriculum (e.g., core vs. specialization) is essential
- Alignment of curriculum with employer expectations is important
- Alignment of curriculum with NASPAA standards is essential
- Alignment of curriculum with admissions expectations/standards is important
- Alignment of curriculum with program mission is essential
- Prioritization of curricular components must be facilitated.

Recognizing the limited time most of our targeted respondents were likely to have to complete any survey instrument, much time and attention was spent in designing and focusing

the survey to elicit the greatest amount of useful information while minimally taxing the respondent. Several decisions were made to help fulfill these intentions:

- The survey would be sent and returned electronically
- The survey would only utilize simple rating scales, but an open-ended comment section would be provided to allow respondents to provide additional information and explanations.
- The survey would be formatted in Excel to make its use easier for both the respondents and the faculty analysts.

The survey instrument is presented in Appendix B. Respondents were asked to react to the list of competencies in budgeting and financial management by rating the importance of teaching each competency to: 1) all future public/non-profit managers; and 2) to future finance directors. The response rate of our non-random sample of nine respondents was 100 percent.

Results

The results from the survey were surprisingly easy to analyze. We analyzed rankings for the skills and competencies on both a median and mean basis to identify any pertinent dispersion issues. The median and mean distributions were very close, and we adopted the median analysis as our basis, given the ordinal nature of the data. As seen in table 1, skills and competencies were first ranked based on the utility to all managers, then based on utility to finance specialists. Of the 40 ranked competencies, only 14 received a median score of 4.0 (*essential*) for all future managers, and one received a median score of 3.5. On the other hand, 30 competencies, including most but not all of the previous 14 competencies, received a median score of 4 (*essential*) for future finance specialists. Two of the competencies received a median score of 3.5 for future finance specialists (fundraising strategies and equity effects). The good news was that many of the essential budgeting competencies were already incorporated into PSPA 510, the existing budgeting course (required as part of the MPA core).

On the other hand, public revenue competencies that had been ranked highly by the survey had not been systematically included in the core budgeting course. For example, the treatment of types of taxes and sources of revenues in the core budgeting course syllabi depended on who was teaching the course, and could receive little more than a mention. Accounting competencies received a high rating for both general managers and finance specialists. Fund accounting and reading financial statements received high marks for both groups.

The faculty committee quickly discerned that it was not possible to reasonably include all of the competencies rated highly for all managers into a single core course. However, if a new course were to be required for all general managers, it would need to have enough substance to justify its inclusion in the MPA core. We followed the general principle of mapping competencies ranked 3.0 or higher into one of two core courses, one with a budgeting orientation and another with a public finance orientation. Table 2 allocates the competencies across the existing budgeting course, a new course to encompass public finance competencies, a revised financial management course to provide advanced training in the skills and competencies ranked highly for future finance specialists. The stand-alone course in fund accounting already in place

Table 1. BOA Survey Results: Budgeting and Financial Management Competencies

	Managers	Specialists
Best Practice in Budgeting (GFOA framework)	4.0	4.0
Budget as communications device	4.0	4.0
Budget as financial plan	4.0	4.0
Budget as operations guide	4.0	4.0
Budget as policy document	4.0	4.0
Capital budgeting: process, format, and management	4.0	4.0
Criteria for evaluating revenue and expenditure policy/programs	4.0	4.0
Debt	4.0	4.0
Economic development financing tools: TIF, Abatements, IRBs	4.0	4.0
Types of taxes: property, income, sales	4.0	4.0
Board-manager financial relationships (fiduciary roles and responsibilities of each)	4.0	3.0
Contract management: options, bargaining strategies, enforcement	4.0	3.0
Nexus between policy, politics and budgeting	4.0	3.0
Politics of budgeting (inc board and administrative relations)	4.0	3.0
Dillon's Rule	3.5	2.0
Ability to read financial statements (inc CAFR and monthly reports)	3.0	4.0
Consumption versus investment (operating v capital budgets)	3.0	4.0
Debt Management	3.0	4.0
Fees and Charges	3.0	4.0
Financial planning	3.0	4.0
Fund accounting (basic structure, rationale) v private sector accounting	3.0	4.0
General approaches to budgeting (performance, program, target, incremental)	3.0	4.0
Investment options	3.0	4.0
Penalties and fines	3.0	4.0
Procurement	3.0	4.0
Sources of Revenues (Wealth, Income, and Consumption)	3.0	4.0
Information systems/Enterprise systems	3.0	3.0
Risk management	3.0	3.0
Fiscal federalism/Intergovernmental fiscal relations	3.0	2.0
Fundraising strategies	2.5	3.5
Auditing	2.0	4.0
Cash flow theory	2.0	4.0
Cash management (intro)	2.0	4.0
Cash management planning	2.0	4.0
Cash management/Inventory management	2.0	4.0
Fund accounting: semester course, in depth	2.0	4.0
Pensions	2.0	4.0
Revenue forecasting: techniques, process options	2.0	4.0
Strategies to insure assets and protect employee benefits	2.0	4.0
Equity effects (horizontal/vertical), incidence, benefits principle,	2.0	3.5
Market failure/government failure (including public goods and externalities)	2.0	3.0

for the fiscal administration concentration received a high ranking for future finance specialists, and is listed as a course in table 2.

Finally, the table includes the already existing politics of public budgeting course (an advanced budgeting course) and a new advanced public finance seminar for the fiscal administration concentration. These latter two courses are highly recommended for the doctoral students in public administration and usually contain a mixture of doctoral students and advanced MPA students. The approach in these courses is designed to meet the advanced theoretical challenges for the doctoral students without being “out of reach” of the advanced MPA students. Rather than a “hands on” skills course (such as the core budgeting course), the advanced budgeting course, for example, is designed to give MPA students a broader “30,000 foot view” of budgeting and financial management systems, with models and paradigms that are more specific to budgeting and financial management careers.

There were two interesting exceptions to the general principle that we would only assign competencies of 3.0 or higher to one of the core courses. As seen in table 2, discussions of market failure and equity effects were ranked as essential and important only to future finance specialists, not to general managers. Despite their relatively low ranking for all managers, they were included in one or both of the required core course syllabi. The MPA faculty felt strongly that the discussion of equity effects (horizontal/vertical, incidence, benefits principle) bears on critical ethical questions as general managers design policies and guide discussions of elected officials about which revenue sources should be used to pay for various public services. Who pays the tax in the end (incidence) is not just a technical public finance issue, but fundamentally bears on issues of public policy fairness, and we want all of our MPA students to have a good understanding of the affects of choosing different revenue sources. The discussion of market failure/government failure (including public goods and externalities) also relates to issues of the role of government, which services it should provide, and who should pay for them. The market failure paradigm is so important, in the view of the faculty, that it was included in the syllabi of both core courses and two of the courses in the concentration.

Aside from the equity effects and market failure paradigm discussions, competencies falling below 3.0 were allocated to specialized courses in the fiscal administration concentration as long as they had a score of 3.0 or higher in the rankings for future finance specialists. As seen in table 2, most of them were placed in the intermediate financial management course.

Once the faculty had agreed on the allocation of competencies, the committee proposed the new scheme with two new courses to the entire MPA faculty for approval:

PSPA 511: Public Revenue Analysis and Financial Management: Investigation of theories and politics of taxation, features and impacts of alternative revenue generation methods, and financial management topics including procurement and procurement systems, enterprise resource planning systems, and contract management.

PSPA 552: Intermediate Public and Nonprofit Financial Management: Covers advanced topics in financial management essential for public managers seeking specialized knowledge in public budgeting and financial management. Topics typically include: debt management, risk management policy, revenue policy, fundraising strategies, auditing, cash and investment management and policies, and revenue forecasting.

Table 2. Mapping Competencies to Course Syllabi.

Competency	Mgrs	Spec	Public Budgeting	Revenue Analysis & Fincl Mgt *	Acctng	Politics of Public Budgeting	Intermed Financial Mgt	Public Finance Seminar
Best Practice in Budgeting (GFOA framework)	4.0	4.0	X					
Budget as communications device	4.0	4.0	X					
Budget as financial plan	4.0	4.0	X					
Budget as operations guide	4.0	4.0	X					
Budget as policy document	4.0	4.0	X					
Capital budgeting: process, format, and management	4.0	4.0	X					
Criteria for evaluating revenue and expenditure policy/programs	4.0	4.0	X			X		
Debt	4.0	4.0		X		X		X
Economic development financing tools: TIF, Abatements, IRBs	4.0	4.0		X				
Types of taxes: property, income, sales	4.0	4.0	X	X				
Board-manager financial relationships (fiduciary roles and responsibilities of each)	4.0	3.0	X					
Contract management: options, bargaining strategies, enforcement	4.0	3.0		X				
Nexus between policy, politics and budgeting	4.0	3.0	X					
Politics of budgeting (inc board and administrative relations)	4.0	3.0	X			X		
Dillon's Rule	3.5	2.0		X				
Ability to read financial statements (inc CAFR and monthly reports)	3.0	4.0	X		X			
Consumption versus investment (operating v capital budgets)	3.0	4.0	X			X		X
Risk management	3.0	3.0	X				X	
Fiscal federalism/Intergovernmental fiscal relations	3.0	2.0	X			X		
Fund accounting (basic structure, rationale) v private sector accounting	3.0	4.0	X		X			
General approaches to budgeting (performance, program, target, incremental)	3.0	4.0	X					

Table 2. Mapping Competencies to Course Syllabi (continued).

Competency	Mgrs	Spec	Public Budgeting	Revenue Analysis & Fincl Mgt *	Acctng	Politics of Public Budgeting	Intermed Financial Mgt	Public Finance Seminar
Debt Management	3.0	4.0					X	
Fees and Charges	3.0	4.0		X				
Financial planning	3.0	4.0		X				
Investment options	3.0	4.0		X				
Penalties and fines	3.0	4.0		X				
Procurement	3.0	4.0		X				
Sources of Revenues (Wealth, Income, and Consumption)	3.0	4.0		X			X	X
Information systems/Enterprise systems	3.0	3.0		X				
Fundraising strategies	2.5	3.5					X	X
Auditing	2.0	4.0					X	
Cash flow theory	2.0	4.0					X	
Cash management (intro)	2.0	4.0					X	
Cash management planning	2.0	4.0					X	
Cash management/Inventory management	2.0	4.0					X	
Fund accounting: semester course, in depth	2.0	4.0			X			
Pensions	2.0	4.0					X	
Revenue forecasting: techniques, process options	2.0	4.0					X	
Strategies to insure assets and protect employee benefits	2.0	4.0					X	
Equity effects: horizontal/vertical, incidence, benefits principle	2.0	3.5		X				X
Market failure/government failure (including public goods and externalities)	2.0	3.0	X	X		X		X

The critical discussion for the MPA faculty centered on the opportunity cost of including another course in the MPA core. Affirming that we did not want to increase the graduation requirements by another 3 hours, the only alternative was to reduce the number of electives included in the various concentrations, from 15 hours to 12 hours. The decision to increase the core requirements with the new revenue course and to reduce the available electives was unanimous. It was based on the widespread agreement that the employer and alumni stakeholders were providing critical information about what was needed to be a successful local government manager, regardless of specialization.

Subsequent to this curriculum review and revision, the program has also evaluated the local government management concentration and is revising and modernizing the current human services concentration into a non-profit management curriculum. In both cases, we have used

similar employer and alumni feedback systems to help faculty build the most appropriate framework for each concentration.

Lessons for Other Programs

There are several important lessons for other programs that are revising curricula. First, a faculty driven approach to curriculum revision that begins with a list of topics in a set of textbooks, or in the syllabi of the faculty when they were students, does not challenge the assumptions that produced those texts and syllabi in the past. While they still may have relevance, without input from the program's employers and alumni, one cannot be sure. An outcome driven approach using feedback from employers and alumni provides a valuable link to the results desired by the MPA degree program: to produce new managers that are readily employable and who are effective public managers. Such valuable feedback should not be ignored, but rather embraced. The underlying orientation of the public administration program, to enhance theory-based professional practice of local government management, is served by a continuous dialog with the employers and alumni stakeholders. They have a keen interest in a program that prepares students to be effective employees in their organizations.

Second, the survey of competencies provides a framework for crafting the courses. It does not provide a blueprint. An agreement to work within the framework of competencies based courses does not require rigid adherence to a single syllabus for each course, a blueprint that each instructor must follow. Instead, it provides a checklist of competencies that need to be integrated into each course each time it is offered, regardless of the instructor. Different texts, readings, cases, and other assignments can accomplish the same task of helping students obtain competencies. The key point is that students will gain the same competencies in the specified courses, regardless of the instructor.

Finally, the revision of the fiscal administration concentration is not finished. It is now important to plan evaluations of the curriculum in a few years to see whether students are obtaining the competencies they need to be effective managers and effective fiscal administrators. That involves a different survey and a different paper to discuss it.

APPENDIX A. Excerpts from various NASPAA Curriculum Standards for MPA programs

GENERAL STANDARDS

4.0 Curriculum

4.1 Purpose of Curriculum. The purpose of the curriculum shall be to prepare students for professional leadership in public service.

4.2 Curriculum Components and General Competencies. The common and additional curriculum components shall develop in students general competencies that are consistent with the program mission. The curriculum components are designed to produce professionals capable of intelligent, creative analysis and communication, and action in public service. Courses taken to fulfill the common curriculum components shall be primarily for graduate students. Both the common and the additional curriculum components need to be assessed as to their quality and consistency with the stated mission of the program.

4.21 Common Curriculum Components. The common curriculum components shall enhance the student's values, knowledge, and skills to act ethically and effectively:

In the Management of Public Service Organizations, the components of which include:

- Human resources
- Budgeting and financial processes
- Information management, technology applications, and policy.

In the Application of Quantitative and Qualitative Techniques of Analysis, the components of which include:

- Policy and program formulation, implementation and evaluation
- Decision-making and problem-solving

With an Understanding of the Public Policy and Organizational Environment, the components of which include:

- Political and legal institutions and processes
- Economic and social institutions and processes
- Organization and management concepts and behavior

Diversity Across the Curriculum. Program activities must prepare students to work in and contribute to diverse workplaces and communities. Consequently, courses, curriculum materials, and other program activities should expose students to differences relating to social identity categories such as race, ethnicity, gender, class, nationality, religion, sexual orientation, disability, age, and veterans status.

These area requirements do not prescribe specific courses. Neither do they imply that equal time should be spent on each area or that courses must all be offered by the public affairs, public policy or public administration programs. Nor should they be interpreted in a manner that might impede the development of special strengths in each program.

4.22 Additional Curriculum Components. Each program shall clearly define its objectives for additional work and the rationale for the objectives, and shall explain how the curriculum is designed to achieve those objectives. The statement of objectives shall include any program specializations or concentrations and the main categories of students to be served (e.g., pre-service, in-service, full-time, part-time).

If a program advertises its ability to provide preparation for a specialization or concentration in its catalog, bulletin, brochures, and/or posters, evidence shall be given that key courses in the specialization or concentration are offered on a regular basis by qualified faculty. Specialization or concentration courses may be offered by units other than the public affairs or administration program. The specialization and concentration courses shall not be substitutes for the common curriculum components.

4.3 Minimum Degree Requirements. Students with little or no educational background or professional experience in the common and additional curriculum components are expected to devote the equivalent of two academic years of full-time study to complete the professional masters degree program. Where students have had strong undergraduate preparation in the common curriculum requirements or have been engaged in significant managerial activities, some of the subject matter requirements might be appropriately waived or reduced. Even in such cases, students ordinarily must spend the equivalent of a calendar year of full-time study in formal academic work, exclusive of an internship, to obtain the professional masters degree. A calendar year is defined as two semesters and a summer session at least eight weeks in duration or four quarters (exclusive of internship) of full-time academic work.

4.4 Internships. A carefully planned internship experience shall be made available by the program and students who lack a significant professional work background shall be strongly encouraged to take advantage of it. The program shall provide on-going academic supervision. Internship programs shall generally reflect NASPAA's internship guidelines.

LOCAL GOVERNMENT MANAGEMENT EDUCATION

ICMA/NASPAA Task Force on Local Government Management Education, 1992

Curriculum

A curriculum designed to prepare persons for professional careers in local government management should be built upon the standards established by NASPAA for master's programs in public administration. The core curriculum requirements in the NASPAA standards cover the knowledge and skills needed by any professional public manager.

To serve simultaneously as the core of a local government management curriculum, however, the courses in the curriculum prescribed by the NASPAA standards should integrate local government concepts, issues, and examples so that local government management students are familiar with what is generic as well as distinct about the context and administration of local governments. Courses that draw only, or even largely, upon knowledge and examples drawn from the federal or state experience are not sufficient. The local government environment is unique. No other legislative system, for example, is so dependent upon part-time, functionally non-partisan, elected officials. Instruction in local government management must make such distinctions.

The model presented here offers a more intensive local government alternative to the standard model of a generic core coupled with advanced components leading to a specialty. As such, it suggests tailoring the core curriculum to meet the needs of professional local government administrators. Consequently, the following discussion of substantive knowledge and management skills is designed to augment NASPAA's statement of the common curricular components. A matrix that fits possible courses into the core curriculum is offered in Appendix A.

Finally, this model can also serve as a guide to developing the content of courses in local government to serve the needs of persons educated in other professional programs who wish to benefit from exposure to knowledge regarding the policy-making and administrative operations of American local government.

Substantive Knowledge

The content of the curriculum in local government management should be predicated upon the recognition that the local government manager is an important change agent who needs to be attentive to problems in the community, should be in the vanguard of efforts to seek change to solve those problems, and always acts with full awareness of the public administrator's role as integral to democratic political processes.

Elements that should be added to, or emphasized in, the NASPAA curriculum standards for purposes of educating professional local government administrators include:

5. Administrative Ethics - Ethical problems are not unique to local government, but the local government leader operates in unusually close proximity to constituents and, as a result, is subject to special political and ethical pressures. Local government administrators need to know how to apply the ethical values emphasized in the

NASPAA curriculum; they should be fully aware of the ICMA Code of Ethics and its application. In addition they need to know where and when they will face ethical problems as well as how to deal with ethical dilemmas. Most importantly, they must know how to be the vigilant conscience of their administrative staff and elected officials, and set an appropriate example to bring ethical principles into both public policy considerations and the daily operations of local government. Finally, local administrators need to have a sense of how to apply ethics (e.g. when to bend and when not to bend) in the ongoing practice of administration.

7. Intergovernmental Relations - The focus for the local government administrator needs to be on interlocal, interregional, local-state, and local-national government relations. Administrators should fully understand the need for effective interactions with the non-profit and private sectors and the issues surrounding the involvement of private organizations in public decision making and the private provision of public services. Traditional orientations of the federal system comprised of federal-to-state-to-local processes should be supplemented with more contemporary orientations that focus upon the local government as the primary provider of public services, often in accordance with federal and state regulations and with limited or no outside financial assistance.

9. Planning - Broad familiarity with planning, not only land use planning but also financial planning, personnel planning, strategic planning and long-range planning for service delivery functions, is necessary for local management to meet the needs of the 1990s and beyond.

11. Urban Economics - Administrators need to understand the economic system and the economic dimensions of land use and development, housing, poverty, employment, transportation, and environmental protection. Increasingly, the local administrator needs to grasp the place of the community in the national and international economy.

14. Accounting and Finance - The local government administrator needs to go far beyond budgeting. Familiarity with accounting and financial reporting, the assessment of financial conditions, knowledge of creative financing techniques, capital financing methods, and cash management are essential. Because they are involved in revenue as well as expenditure policy development, local administrators must understand basic principles of public finance and tax policy.

Management Skills

Local government administrators require all of the management skills described in the NASPAA standards. They must be able to analyze and communicate information, data, and ideas in terms meaningful to citizens and elected officials who may lack professional skills, and/or related educational background. In addition, they should have educational preparation in the following:

5. Long-Range Financial Planning - Unceasing growth of local government responsibilities, coupled with continuing public resistance to increased fiscal support for the public sector, makes it imperative that local government managers engage in careful, informed, and accurate projections of future revenues and expenditure needs; be familiar with a wide range of new and different sources of potential program funding; and engage in cash management, capital budgeting, and revenue forecasting strategies designed to optimize their jurisdiction's long-term fiscal health and stability. Toward this end, their educational experiences must give them extensive familiarity not only with public sector budgeting but also with the full range of finance administration tools, and make them cognizant of the need for and methods of long-term financial planning.

8. Acquisition of Resources - Today, local government administrators need to be especially adept at securing external funding and support from organizations and foundations as well as funds from state and federal governments.

APPENDIX B Core Competencies in Public Budgeting, Finance, & Financial Management for local managers

On a 0 to 4 scale, with 0 being "not at all important" and 4 being "essential": How important is it that this competency be taught to all future public/non-profit managers or, alternatively, to future finance directors?

<u>TOPIC</u>	<u>All future managers</u>	<u>Specialists (future finance directors) only</u>	<u>Comments</u>
Ability to read financial statements (inc CAFR and monthly reports)			
Best Practice in Budgeting (GFOA framework)			
Budget as communications device			
Budget as financial plan			
Budget as operations guide			
Budget as policy document			
Capital budgeting: process, format, and management			
Cash management (intro)			
Consumption versus investment (operating v capital budgets)			
Contract management: options, bargaining strategies, enforcement			
Equity effects (horizontal/vertical), incidence, benefits principle,			
Fund accounting (basic structure, rationale) v private sector accounting			
Market failure/government failure (including public goods and externalities)			
Nexus between policy, politics and budgeting			
Risk management (intro)			
Sources of Revenues (Wealth, Income, and Consumption)			
Types of taxes: property, income, sales			
Fees and Charges			
Penalties and fines			
Debt			
Dillon's Rule			
Fiscal federalism/Intergovernmental fiscal relations			
General approaches to budgeting (performance, program, target, incremental, blah, blah, blah)			
Cash management/Inventory management			
Cash flow theory			
Cash management planning			
Investment options			
Economic development financing tools: TIF, Abatements, IRBs			
Fund accounting: semester course, in depth			
Revenue forecasting: techniques, process options			
Risk management			
Strategies to insure assets and protect employee benefits			
Pensions			
Auditing			
Debt Management			
Procurement			
Information systems/Enterprise systems			
Criteria for evaluating revenue and expenditure policy/programs			
Politics of budgeting/board and administrative relations			
Board-manager financial relationships (fiduciary roles and responsibilities of each)			
Financial planning			
Fundraising strategies			

PLEASE FEEL FREE TO ADD AND RATE OTHER TOPICS/COMPETENCIES USING ADDL. LINES: