

LINE ITEM

The Newsletter of ASPA's Association for Budgeting & Financial Management

June 2003

Conference Plans

The 15th annual ABFM conference will be held September 18-20 at the Washington DC Marriott hotel. The conference theme is "Back to the Future: Fiscal Stress and Uncertainty". Below is a preliminary schedule. For more information, see the website (www.abfm.org).

Thursday, September 18

10:00am-11:30 Opening Plenary "New Paradigms in Financial Management" Jim Savage, Herbert Whitehouse, Hamid Ali, James Galbraith and Irene Rubin.

11:30-1:00 Lunch

1:30-3:00 Concurrent Sessions

Transportation Finance: Odd Stalebrink, & Jonathan Gifford, "Integrating Real Option Theory Into Transportation Infrastructure Investment and Finance Analysis," Shama Gamkhar, "Political Economy of Grant Allocations" Richard Swayze, "Airport Finance," John Bartle, "Future Changes in the Finance of Transportation Infrastructure"

New Patterns in Government Debt Affordability: Rebecca Hendrick, "Going Into Debt," Osung Kwon, "Capital Expenditures, Intergovernmental Grants, and Indebtedness of Local Government," Gerald Miller & Bart Hildreth, "State Debt Affordability Studies and the Results They Produce," Kellee Richards, "Nongovernmental Organizations' Influence on Developing Country Debt Affordability, Debt Levels, and Social Spending"

TBA

3:15-4:45 Concurrent Sessions

Issues in State Fiscal Stress: Ed Clynych, & Elizabeth Morris, "Feeding the Children in Mississippi and Virginia During an Era of Fiscal Stress," Charles Menifield, "The State Children's Health Insurance Program," Mike Pagano & Christopher Hoene, "The Real 'Double-Dip' Recession" Yuhua Qiao, "Policy Ambivalence: Taxes, Spending, and Deficits"

Performance Budgeting, Past and Present: Daniel Williams, "Evolution and Transformation of Performance Measurement and Budgeting," Wes Clarke, "The Use of Performance Data in Texas State Government," Suzanne Sisson & Meagan Jordan, "The Organizational and Budgetary Impact of Performance-Based Budgeting in County Governments"

Explorations in Chinese Government Budgeting: Wilson Wong, "Chinese Budgetary Crisis and Its Underlying Institutional Causes," Yilin Hou, "Chinese Governmental Budgeting 1950-2000," Jun Ma, "Zero-Base Budgeting in China," Mengzhong Zhang, "Extra-Budget Funds and Regional Economic Development in China"

5:00-6:30 Reception

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The Founding of ABFM

by Thomas D. Lynch

Editors Note: This is the first in a new series profiling the history of ABFM, which was initially named the Section on Budgeting and Financial Management, or SBFM. Tom Lynch was the first Chair of SBFM.

Prior to when the ASPA Section on Budgeting and Financial Management was created, the climate of ASPA was very negative about this new idea of sections. As a reaction to the ASPA Afro-Americans within ASPA, the National Council created the Conference of Minority Public Administrators (COMPMA) but there was concern that sections would make it easier for those units later to secede from the parent organization.

George Frederickson and I felt that more sections could and should be created. George was a former President and I was an at-large member of the National Council at the time. Our argument was that sections would give ASPA a vitality that would offer our members significantly more in terms of service. We correctly envisioned new journals, section conferences, more awards, and newsletters that would flow from these groups.

I came to that position before George and found that my arguments were having some impact but not enough to carry the day. Fortunately, George, either independently or because of my efforts, came to a parallel conclusion and he added his weight to the political struggle that lasted about two years. George wanted to create a research section for academics and I wanted to create a budget and financial management section. With our joint efforts, we were both successful.

ASPA's National Council voted to create our section in 1976 but we had three years to attract enough persons to become accepted as a permanent section within ASPA. I acted as section chair for the first year (1977-78) and I can recall asking the ASPA Executive Director to place a notice in the *PA Times*. The immediate result was only a few names and I asked that the notice be placed again in the *PA Times*. With that second notice, the names came into national headquarters in a steady stream and before my year ended we were the largest section within ASPA.

In my year as chair, Jay Abrams and I wanted to start a new journal -- *Public Budgeting & Finance*. We incorporated the journal with the membership of two organizations of which the

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section was one. After the incorporation, the new board of directors selected Allen Schick as the first editor. We successfully fought the battle with the ASPA National Council to raise the dues of our new section and the journal was born in 1981.

Looking back at the founding of our group after thirty years, I must admit that it did exactly what I had hoped. It became a direct dynamic force for the greater professionalism of public budgeting and financial management in America and an indirect influence in the world.

What I am particularly pleased about is that ABFM has continued to be a magic place where talented people come together to perform a remarkable service to our professional community. With only a one year period to show leadership, the ABFM chairs for over 30 years have built on the accomplishments of others to create a very viable continuing organization.

I do believe that karma is a real phenomena and ABFM proved that to me soon after I was elected as Vice-President of ASPA years later. The national organization was going into one of its common fiscal crises. Unfortunately, the crisis was very serious. I successfully got the Executive Director fired but there just was not enough money to pay the staff payroll in July of that year. The National Capital Area Chapter of ASPA and ABFM gave ASPA non interest bearing loans and the cash flow problem was solved. The new Executive Director and the now very much more alert elected leadership solved the budget crisis. Of note, a parallel problem occurred in England and their organization ceased to exist. Clearly, ABFM made a big difference at a critical point in the history of ASPA. The good turn of creating ABFM came back as the means to rescue ASPA at a later point in time. I was never more proud of ABFM then I was at that moment.

MICHAEL JOSEPH CURRO

Michael Curro, an active member of ABFM and an executive committee member, passed away April 16, 2003 from brain cancer. He had worked for GAO for almost thirty years. As a tribute to his efforts for ABFM, the ABFM Executive Board recently decided to name the Student Paper Award in his honor.

Mike was born in Cincinnati in 1948. He attended Xavier University and received an MPA from Ohio State University, and served in the US Army in Turkey. In 1970s he joined the Legislative Service Commission of the Ohio State Legislature. Mike joined GAO in 1974 in the Cincinnati regional office. In 1982 he moved to Washington, D.C. to become assistant to the Assistant Comptroller General for Operations. He later served as Deputy Director and Acting Director of the Office of Information Research Management.

In 1992 Mike joined the Budget Issues group in GAO as an Assistant Director, a position he held until his death. As Assistant Director for Budget Issues, Mike improved GAO's budget database and was a pioneer in studies of the move to a more results-oriented government and efforts to link resources to results. Mike was frequently called on by Congressional staff for advice and insights in this and other areas.

Mike wrote often about finance and budget issues for professional journals. He taught courses on federal budgeting at Georgetown University's Government Affairs Institute, the USDA Graduate School and Central Michigan University's Center for Strategic Management. He was on the editorial board of *Public Budgeting & Finance* and on the board of directors of Public Financial Publications Inc., as well as ABFM.

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BALLOT

ABFM Official 2003 Election Ballot

For Vice-Chair (vote for one):

_____ John Bartle
 _____ Robert J. Eger III
 _____ *Other* (write in name) _____

For Executive Committee (vote for up to four):

_____ Jane Beckett-Camarata
 _____ Dwight Denison
 _____ Claire Felbinger
 _____ Jerry Gianakis
 _____ Michael Hall
 _____ Christopher Hoene
 _____ Robert Kravchuk
 _____ Suzanne Leland
 _____ Gerald Miller
 _____ Rowan Miranda
 _____ Bryan Sullivan
 _____ Peter van der Hoek
 _____ William Voorhees
 _____ *Other* (write in name) _____

Please detach and return this ballot by August 1, 2003 to: ABFM Secretariat, University of Kentucky, Martin School of Public Policy and Administration, 417 Patterson Office Tower, University of Kentucky, Lexington, KY 40506-0027.

John Bartle is an Associate Professor in the School of Public Administration, University of Nebraska at Omaha. His education is from Swarthmore College (B.A. with honors), University of Texas at Austin (M.P.A.) and The Ohio State University (Ph.D.). He worked as a practitioner for the American Enterprise Institute Center for Tax Policy Studies, the City of St. Paul MN Department of Finance and Management, the Minnesota Tax Study Commission, and the Minnesota Taxpayers Association. He has consulted with a wide range of governments. He served ABFM as conference co-chair in 2002 and as newsletter editor since 2001.

Robert J. Eger III is on the faculty at the Andrew Young School of Policy Studies, Georgia State University. Previously, he was a faculty member at the University of Wisconsin-Milwaukee. He has been actively involved with ABFM since joining the organization in 1997. He proudly served as Conference Coordinator in 1999 and as Treasurer (1999 - 2003). He has an extensive background in public service and public financial management.

Jane Beckett-Camarata is an Assistant Professor in the Political Science Department at Kent State University. She has published in a variety of budgeting and financial management journals. As a former Chief Financial Officer, she managed the operating and capital budget and was instrumental in integrating the strategic plan and the budget and establishing financial performance measures. Jane has been an active member of ABFM for eight years. She is active in ASPA and serves on the National Council. She is the National Council liaison to ABFM.

Dwight Denison is an Assistant Professor of Public and Nonprofit Finance at the Robert F. Wagner Graduate School of Public Service at New York University. His research has been published in a variety of leading journals. He first joined ABFM as a doctoral student and has been an active participant in ABFM for nearly ten years, having served on conference program committees and the selection committees for the Howard award and student paper award. Dwight received his Ph.D. from the Martin School at the University of Kentucky.

Claire Felbinger is the Senior Program Officer for Transportation Management and Policy at the National Academy of Sciences, Editor of *Public Works Management & Policy*, and a Senior Fellow in the School of Public Policy at George Mason University. She currently serves on seven editorial boards and holds leadership positions in professional associations like ASPA and the Accreditation Board for Engineering and Technology.

Jerry Gianakis is an Associate Professor of public management at Suffolk University's Sawyer School of Management in Boston. He was previously at the University of Central Florida and Kent State University. He has been a member of ASPA since 1979 and is past chair of the Section on Public Performance and Management. He is co-author of *Local Government Budgeting: A Managerial Perspective*.

Michael Hall is the Director of Graduate Programs in Management at The Sage Colleges. He has been a member of ASPA since 1975 and a member of ABFM since its inception. He has published in budgeting and is currently at work gathering data on a budget research project using magnitude estimation procedures. Michael has created and delivered workshops on budgeting to first line supervisors. He has also worked in the nonprofit sector where he produced strategic budget analysis for programs and successfully sought funding for two federal grants.

Christopher Hoene is the Research Manager at the National League of Cities. He directs NLC's public finance research, including an applied municipal finance research agenda and oversees NLC's monitoring of city fiscal conditions. Previously, he was a Policy Analyst with the Center on Budget and Policy Priorities in Washington, DC and a Research Fellow at the Public Policy Institute of California in San Francisco. He received an M.A. in public policy (1996) and Ph.D. in political science (2000) from Claremont Graduate University.

Robert Kravchuk is an Associate Professor of Public and Environmental Affairs at Indiana University, Bloomington. His recent research focuses on budget and financial reform. He is the author of numerous academic journal articles and book chapters on public finance, management and policy. In 2001, he joined David Rosenbloom as co-author of the widely-adopted text *Public Administration: Understanding Management, Politics, and Law in the Public Sector* (5th ed).

Suzanne Leland is an Assistant Professor at the University of North Carolina-Charlotte in the Department of Political Science. She has a PhD from the University of Kansas (1999). Her primary research area is state and local administration and finance. She has been an active member of ABFM since 1997 and served as chair of the host committee for the first conference in Kansas City, Missouri.

Gerald Miller has been active in ABFM through graduate work (MPA at Auburn University in Montgomery in 1975 and Ph. D. at the University of Georgia in 1979), while working as an investment banker (Rauscher Pierce Refsnes, now RBC Dain Rauscher), to the present while teaching government and nonprofit budgeting and financial management at Rutgers University in Newark (Professor in the Department of Public Administration). He has published numerous books, research articles, monographs, and book chapters, including the *Handbook of Debt Management* and *Government Financial Management Theory*.

Rowan Miranda is Director of Research and Consulting for the Government Finance Officers Association of the United States and Canada. He formerly served as the Chief Financial Officer of Allegheny County, PA and Budget Director of the City of Pittsburgh. In his current role, he has served as a consultant to more than 100 state and local governments and is the Editor-in-Chief of *Government Finance Review*. Miranda holds a Ph.D. in Public Policy Analysis from the University of Chicago where he also teaches budgeting and information systems at its policy school.

Bryan Sullivan is the Director of Management Efficiency (Strategic Planning), State of Delaware, Office of the Budget. He earned an MPA and Ph.D. from the University of Delaware's College of Urban Affairs and Public Policy. He has served ABFM as a member of the Program Committee for the Annual Conference (2000), the Best Student Paper Award Committee (2001), and the Membership Committee (2002). His participation in ABFM activities has focused on facilitating and supporting enhanced dialogue and interaction between budget practitioners and academics.

Peter van der Hoek is an Associate Professor of Economics at Erasmus University in Rotterdam, Netherlands, and Professor of Privatization, Management, and Finance at the University of Economics, Bucharest, Romania. He received both an earned doctorate (Erasmus University) and an honorary doctor's degree (Ternopil Academy of National Economy, Ukraine). He is the founding editor of *Public Finance and Management*, a peer-reviewed electronic quarterly (www.spaef.com).

William Voorhees is an Assistant Professor in the School of Public Affairs at Arizona State University. He has a Ph.D. from the School of Public and Environmental Affairs at Indiana University. He is the book review editor for *Public Budgeting & Finance* and in the past has served on the ABFM ad hoc accounting committee. Prior to entering academia, he spent 20 years designing and implementing health care financial management systems. He has published in the areas of revenue forecasting and governmental accounting.

ABFM at ASPA 2004

ABFM was asked to provide ideas for five panels for the ASPA National Conference scheduled for Portland, OR, March 27-30, 2004. Led by Stacey Mazer, the following panels were suggested for inclusion in the ASPA meeting for the track titled: "Can We Afford the Government That We Want? Where Will the Money Come From?" They have been tentatively approved for inclusion in the conference:

- Dealing with the Downturn: Perspective of the Budget Director
- Performance Measurement: Current Trends and Practices
- Restructuring and Reorganizing Government Services
- Budget Stability: Tools for Managing the Budget
- Accepting the Challenge: Financing Domestic Security

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Friday, September 19

7:00 am – 8:15: *Executive Committee Meeting*

8:30-10:00 *Concurrent Sessions*

Performance and Government Work: Alfred Ho "Does Performance Matter?" Katherine Willoughby & Julia Melkers, "When Does Performance Matter for Budgeting?"

Issues in Local Government Fiscal Stress: Brendan Burke, "Simultaneous Short and Long-Term Fiscal Crises in Massachusetts Municipalities," Rebecca Hendrick, "Coping With Fiscal Stress," Jane Beckett-Camarata, "A Comparison of Strategies for Improving Budgeting in the Face of Rapid Change in Veronezh, Russia and Seattle, Washington," Alex Franco, "Capital Budgeting Decision Models and Planning at the County Level"

Issues in Federal Budgeting: George Krause & James Douglas, "Agency Competition and Policy Advice," Glen Krutz, "The Line-Item Veto in Reverse, Only More Powerful," Ed Gibson, "Toward Financial Freedom: Budgetary Reform in the U.S. Courts"

10:15-11:45 *Concurrent Sessions*

Measuring and Predicting State and Local Fiscal Stress: Ken Kriz, "Could Governments Hedge Their Financial Risk?" Bill Duncombe, "Developing a Financial Condition Indicator System," Craig Johnson, "Credit Rating Agencies and the Current State Fiscal Crisis," Yilin Hou, "Anticipating and Reacting to Fiscal Stress"

Tax Policy and Current Issues in Taxation: Tae Ho Eom, "Evaluation of Property Tax Assessment Policy in New York State," Esteban Halehite, John Mikesell & Kurt Zorn, "Effects of Property Tax Abatements on Tax Rates and Capital Costs"

Revenue Issues in State and Local Budgeting: Chris Reddick, "Performance Based Revenue Forecasting In Local Governments," Craig Maher "The Flypaper Effect Revisited

with Pure Grants," Jinping Sun, "Sources of Error in New York State Revenue Forecasting," Changhoon Jung, "Determinants of Federal Assistance to State and Local Governments, 1983-2001"

Noon-1:30 *Awards Luncheon*

1:45-3:00 *Plenary Session* "What Does a Consensus Revenue Estimate Mean in the States?" James Richardson, John Wong, Ranjan Madhusudhan, Judy-Lynne Peters, Harley Duncan (invited)

3:15-4:45 *Concurrent Sessions*

Local Government Fiscal Choices: Moon Gi Jeong, "The Impact of Impact Fees," Sang-Seok Bae, "Residential Mobility and Local Government's Response to Intergovernmental Grants," Jeongwoo Kim, "Factors Affecting Local Fiscal Choice," Barbara McCabe & Richard Feiock, "The Ballot Box and the Public Purse"

State Budgets: New Tools in the Balancing Act: Robert Smith, "Using the Federal Single Audit as a Tool in State Budget Formulation and Execution," Michael Dougherty & Ken Klase, "Fiscal Retrenchment in State Budgeting," Gabriella Wolfson, "Institution-Based Tradeoffs," Aijun Nie & Jun Peng, "Budgetary Challenges Facing State Governments in the 21st Century"

Advancing New Theories: Aimee Franklin, "Tracking the Invisible Citizens' Effects on Local Government," Paula Steinbauer, "Testing an Assumption of Fiscal Illusion Theory," Mark Robbins, Bill Simonsen & Barry Feldman, "The Impact of Tax Price on Spending Preferences," Bart Hildreth, Gerald Miller, Sam Yeager & Jack Rabin, "Finance Managers' Propensity to Save"

5:00-6:00 *ABFM General Membership Meeting*

Saturday, September 20

9:15-10:45 *Concurrent Sessions*

Local Government Debt, Management and Uses: Christopher Hinkelmann, & Steve Swidler, "The Use of Financial Derivatives to Hedge Revenue Shortfalls," Robert Eger, "Examining the Role of Financial Stability in Public Entities," Deborah Carroll & Robert Eger, "Management Practices and Local Municipal Credit," Justin Marlowe, "Financial Ratio Adjustment in Municipal Governments"

Emerging Scholars Panel: Mona Koerner, "Devolution Revolution - Not!" Michael Moody, "Policy Drivers of Structural State Budget Imbalances," Kathleen Frederick, "The Challenges and Burdens of Unfunded Mandates: Lessons from Illinois"

School Financing and Performance: Istvan Vanyolos, "The Impact of Late State Budgets on School District Fiscal Behavior," Dae Yeop Kim, Amy Schwartz & Leanna Stiefel, "The Impact of New York City's Performance Driven Budgeting Initiative on Student Performance," Ross Rubenstein, "The Reliability of School Efficiency Measures Using Data Envelopment Analysis," Hella Bel Hadj Amor, "Why Are Urban Schools So Expensive?"

12:30-1:30 *Teaching Roundtable*

New Scholar: Yilin Hou, Renaissance Man

Yilin Hou finished his Ph.D. at Syracuse University in 2002 and recently completed a year of teaching Public Administration at Rutgers-Newark. His dissertation, "Subnational Counter-Cyclical Fiscal Policy: Testing the Effects of Budget Stabilization Funds and General Fund Surpluses," won his department's and the university's outstanding dissertation award in 2003. This fall he will begin a new appointment at the University of Georgia in the Department of Public Administration and Policy, School of Public and International Affairs. Prior to entering the study of public administration, Yilin was on the faculty at Tsinghua University (P.R. China) in the field of linguistics and foreign language education research, serving as Department Vice-Chair. He has several publications on linguistics in major Chinese journals.

At the Maxwell School, Dr. Hou actively participated in the Government Performance Project (GPP) first as a research associate and then as faculty expert in the area of financial management. He also served as faculty expert on the New Jersey Initiative project. Yilin's research and teaching areas are public finance, budgeting, research methods, and strategic management. His current research interests are state fiscal policy, budgeting reform, and strategic management. His publications have appeared in *Public Budgeting & Finance*, *American Review of Public Administration*, and *Review of Public Personnel Administration*.

From the ages of 13 to 18, Yilin was in a theatrical company as a violin player, where he met his wife, Sophie (Zhihui) Dong. She is a music educator by training, and also has a Masters in Library Science and is now a data cataloguer at Princeton University. They have one son, David, who is 14 years old and has been on the Principal's Honor Roll each semester. David plays the violin in youth orchestras and is on the tennis team of his school. Yilin's hobbies are fishing, taking walks and playing tennis with his family.

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