

Budget & Finance

Association Officers, 1995-96

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Money, Morality and Municipal Bankruptcy in Orange County

Orange County's bankruptcy case serves as a primer on basic, enduring ethical concerns in governmental finance. Core issues include trust, candor, and accountability; taking care, particularly of the dependent and vulnerable; fiduciary responsibility; taking responsibility for obligations and professional competence; prudence; and more. These concerns routinely surface (but rarely so dramatically bundled as in Orange County) at different times in different jurisdictions, only to recur elsewhere. This pattern suggests the ideas that guide this discussion: (1) some elemental concerns seem never to disappear, and so warrant periodic, prophylactic repetition, (2) certain temptations and transgressions attach perhaps especially to the public finance function, but yielding to them is by no means universal, and (3) the case of Orange County is exceptional more in the size of the loss and number of losers than in the ethical breaches themselves. Some of these ethical concerns are discussed in detail here. The financial, legal, political, and managerial lessons are drawn elsewhere. (See, for example, Johnson and Mikesell, Jump, Lewis and other articles in the June 1996 issue of *Municipal Finance Journal*; Jorian, 1995; and coverage in practitioner publications such as various issues of *Government Finance Review* and *Moody's Investors Service*.)

Setting the Scene

The county treasurer of California's Orange County had overseen a \$7.5 billion investment pool for 187 government participants, including 34 cities and 38 school districts. A high-risk investment strategy using reverse repurchase arrangements for leveraging and derivatives led to a \$1.7 billion loss. Derivatives are financial instruments linked to the performance of underlying assets, including currencies, commodities, and bonds. The county petitioned for bankruptcy relief in December 1994, whereupon it became the largest municipal bankruptcy in history.

In the May 1995 comprehensive settlement agreement, more than 200 local governments agreed to forego their rights to sue the county and its finance officials in return for better repayment terms (monetary and priority claims). Fourteen municipalities elected to retain the right to sue over investment losses variously estimated at \$40-\$80 million.

In a June 1995 referendum, voters among the 2.6 million residents (with relatively high average income) rejected a half-cent increase in the sales tax as the solution to the financial crisis. The increase would have raised the county's sales tax to the level of Los Angeles County's.

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ABFM Eighth Annual Meeting

"Budgeting and Finance: Negotiation, Compromise, or Stalemate."

October 10-12, 1996 in Washington, D.C.

PLENARY SESSIONS:

- **Financing Social Security, chaired by Fred Thompson**
- **Budgeting Under Stalemate, chaired by Richard Doyle**

PANEL SESSIONS:

- Connecting Resources with Results, chaired by Virginia Robinson
- Evaluating Changing Fiscal Conditions in State and Local Governments, chaired by Merl M. Hackbart
- Activity Based Management, chaired by Clif Williams, Coopers and Lybrand
- Financing Prison Systems, chaired by Henry Thomas
- Performance Measurement and Budgeting: Perspective at the National Level, chaired by Philip G. Joyce
- Budgeting for Economic Development: The Case of Sports Facilities, chaired by Roy T. Meyers
- Government as a Business: An International Perspective, chaired by Kurt Thurmaier
- Performance Measurement & Budgeting: Perspective at State & Local Levels, chaired by Karen Stanford
- Budget Theory, chaired by Paula S. Kearns
- Financing/Budgeting/Management in Eastern Europe, chaired by David O. Porter
- Revenue Estimating, chaired by Marilyn Rubin
- Commentaries from State Budget Directors, chaired by Richard E. Zody
- The Line-Item Veto, chaired by Thomas P. Lauth
- *Internet* and the *World Wide Web*, chaired by Carole Pettijohn
- Innovative Funding of Environmental Protection and Remediation, chaired by James F. Smith
- Doctoral Student Research, chaired by Christine Martell
- The Impact of Federal Funding on State and Local Government, chaired by Carol W. Lewis

Bankruptcy in Orange County...continued from page 1

Some of the structural and political difficulties are associated with Proposition 13, the well-known tax-and-expenditure limitation. Its passage in 1978 heralded contemporary anti-tax sentiment and would heighten the attraction of revenue alternatives to the tightly constrained property tax.

The Securities and Exchange Commission's (SEC) litigation release (SEC Actions, 1996) notes that interest income from county investment pools was the single largest source of revenue for the county's discretionary budget and the county's reliance on this interest income was increasing.

Within a year after the bankruptcy filing, more than ten lawsuits over suitability, disclosure, and violations of state law had been filed against Merrill Lynch as Orange County's broker and bond underwriter (Wayne, 1995). Robert L. Citron, county treasurer for two dozen years, pleaded guilty to six felony charges.

County officials reduced the fiscal 1995-1996 budget from \$3.7 billion to \$3.4 billion, reduced discretionary spending by more than 40%, and instituted service reductions and layoffs.

The Securities and Exchange Commission (SEC) brought enforcement actions against county officials in 1996 under antifraud and other provisions of federal securities laws. The SEC reported that official statements for eleven offerings involving the sale of more than \$2.1 billion in municipal securities in 1993-1994 misrepresented or failed to disclose material information (SEC Actions, 1996). In April 1996, the county's Board of Supervisors approved a settlement agreement covering the remaining fourteen municipalities and, subject to their agreement and to US Bankruptcy Court Judge John Ryan's approval, the county is scheduled to emerge from bankruptcy in June 1996.

County officials anticipate a \$38 million surplus in the fiscal 1995-1996 budget and may not need additional cutbacks in fiscal 1996-1997 (Grad, 1996).

Ethical Dimensions

Many finance professionals would agree with George Bernard Shaw (also the author of a book on municipal bonding), whose character in "Man and S u -

perman" says, "You may be as romantic as you please about love...but you mustn't be romantic about money." But raising ethical concerns is hardly fanciful; after all, in his *Nicomachean Ethics*, Aristotle defined ethics as a practical field (grounded in habits of action ingrained in moral character). Ethical concerns specifically address fundamental professional precepts, plus the trust of taxpayers, employees, vendors, creditors, and the public. Perhaps because the very word bankrupt connotes reneging on obligations and breaking the covenant underlying the polity and the credit markets, many reactions to Orange County's bankruptcy are voiced in terms of moral outrage.

Trust, Candor & Accountability

It is widely accepted that bankruptcy is a betrayal of public trust (Lewis, 1994). Speaking about Orange County in January 1996, SEC Chairman Arthur Levitt noted, "But trust is hard to win, and easy to lose. . . . The case boils down to problems with statements made to sell securities--in other words, with *disclosure*. The law requires that the accuracy and completeness of that information be held sacrosanct" (SEC Actions, 1996, p. 14). The SEC's 1996 litigation release observes, "In authorizing the issuance of securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may a public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading." (The SEC included the county's elected officials among responsible parties.)

In government finance, adequate disclosure demands candor. The Government Finance Officers Association's (GFOA) Code of Professional Ethics plainly states the government finance officials' responsibility: "They shall not knowingly sign, subscribe to, or permit the issuance of any statement or report which contains any misstatement or which omits any material fact." The National Association of State Budget Officers' (NASBO) Standards of Professional Conduct specify public accountability: "Assure that government is conducted openly, efficiently, equitably and honorably in a manner that permits

the citizenry to make informed judgments and hold government officials accountable." Thus, as an ethical duty in government finance, candor speaks to the integrity of the disclosing party, underwrites authentic accountability, and protects the moral agency of citizens and other decision makers who depend upon the information provided.

Developments in Orange County and elsewhere (e.g., the Daiwa case) have sparked a public policy stampede reminiscent of the reaction to New York City's fiscal crisis of the mid-1970s. Enhanced oversight and tightened investment and disclosure policies target financial irregularities and unacceptable risk. Because derivatives have been associated lately with large losses among some corporations, investment funds and, most notably, Orange County, the Securities and Exchange Commission moved to tighten disclosure requirements for companies holding derivatives. In addition, implementation of SEC Rule 15c2-12 tightened disclosure of municipal market activities. The Federal Reserve Bank of New York and group of broker-dealer and investment banking firms issued voluntary guidelines for "best practices" in the over-the-counter market. In 1995, the Government Finance Officers Association updated approved practices in financial management; the National Association of Securities Dealers approved a suitability rule as authorized under the Government Securities Act Amendments of 1993; and the Commodity Futures Trading Commission issued its final rule that does not preclude trading by municipalities in less regulated derivatives, including swaps. Also, the federal Securities Bill was enacted in 1995 as the first congressional override of a presidential veto in the Clinton Administration; one provision makes it more difficult for individual investors to sue in cases of securities fraud.

Disclosure is necessary to accountability. Although accountability may be defined as someone else filling out the form (when one does it oneself, it becomes red tape), accountability is "perhaps the core philosophical concept in public management" (Kearns, 1996, p. 7). Its forfeiture is critical to understanding the Orange County story.

Taking Care

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ABFM Official Election Ballot

For chair-elect (vote for one):

_____ **Karen Stanford**
 _____ **Other** (write in name below)

RETURN BALLOT BY JULY 31st to:

Professor W. Bartley Hildreth
 Regents Distinguished Professor of Public Finance
 Hugo Wall School of Urban and Public Affairs
 Wichita State University
 Wichita, Kansas 67260-0061

For Executive Committee (vote for three):

_____ **Doug Adams**
 _____ **Roy Meyers**
 _____ **Paul Posner**
 _____ **Henry Thomas**
 _____ **Kurt Thurmaier**
 _____ **Other** (write in name below)

Karen A. Stanford is the executive director of the Florida Commission on Government Accountability to the People (GAP Commission). The commission publishes *The Florida Benchmarks Report*, a series of social, economic and environmental indicators which reflect the well-being of the state's citizens. The commission also conducts agency assessments to encourage the linkage of performance information at all levels of measurement. Stanford's educational background includes a Ph.D. in public budgeting and financial management from the Askew School of Public Administration and Policy, Florida State University in 1989, and a master of public administration degree from the Askew School in 1980, and a B.A. with honors from the University of Florida with a major in political science in 1963. Stanford was appointed the first executive director of the commission in 1993.

Stanford returned to Florida after teaching public administration for four years at the University of Wyoming. At Wyoming, she served on the Women's Studies Committee, represented her department in the faculty senate, organized a faculty women's support group and represented the university on a statewide HIV/AIDS school health project. She previously worked in Florida state government in several capacities: contract development for Medicaid-managed health care, juvenile justice delinquency program development, and correctional program evaluation.

Stanford has published research on legislative budget decision-making and conducted performance measurement training for state and local government officials. In the early 1980s, she was a member of the local ASPA chapter board. She is an adjunct professor of public administration at the Askew School and serves as co-chair of the State Work Group for ASPA's Government Accomplishment and Accountability Task Force. She has been a member of ABFM since 1987 and went on the Executive Council in 1992. Since 1993, she has directed the Annual Student Paper Award and served on the program committee for the past two years.

H. Douglas Adams is the county finance manager for Washington County, Oregon, a suburban county within the Portland metropolitan area. Adams has been with the county since December 1994 after seventeen years with the State of Missouri. During his last nine years in Missouri, he served as director of administration for the Missouri Department of Health. Adams received a B.S. degree in political science from Southwest Missouri State University, a master of public administration degree from the University of Missouri, and attended the Program for Senior Executives in State and Local Government at Harvard University's JFK School of Government. His professional memberships include ASPA, the Government Finance Officers Association, the Association of Government Accountants, and the Oregon Municipal Finance Officers Association. Adams is certified by the national accreditation board of the Association of Government Accountants as a Certified Government Financial Manager.

Roy Meyers is an associate professor at the University of Maryland, Baltimore County, where he teaches political science and policy sciences. He earned his Ph.D. in political science from the University of Michigan. Meyers is the author of *Strategic Budgeting* published in 1994, articles in *Public Budgeting and Finance*; and articles forthcoming in *Policy Sciences* and the *Journal of Policy Analysis and Management*. For the past year, he has been the editor of the "Current Estimates" section of *Public Budgeting and Finance*. Meyers was formerly an analyst at the Congressional Budget Office.

Paul L. Posner is director of the U.S. General Accounting Office (GAO) where he is responsible for the GAO's analyses of the impacts of fiscal policy alternatives and for its work on the intergovernmental fiscal system. He is also an adjunct professor of public policy at Georgetown University. He has served as chair and is currently a member of the executive committee of the Section on Intergovernmental Administration. He testifies frequently before

congressional committees on issues related to the federal budget and tax administration. He has published articles on federalism and fiscal issues in *National Tax Journal*, *Political Science Quarterly*, *Public Administration Review*, and *Public Contract Law Journal*. He has also written and directed the publication of numerous GAO reports on tax policy, performance budgeting, federal deficit issues, block grant administration, and other topics. Posner received his Ph.D. in political science from Columbia University in 1995.

Henry B. Thomas is the director of the MPA program at the University of North Florida in Jacksonville, Florida. Prior to that he was on the public administration faculty at Florida International University in Miami. He served as budget analyst in the budget bureau in the city of Rochester, New York. Thomas has current research interests at the intersection of TQM and public finance. His specific focus is on the development of cost driver analysis for public sector quality cost systems. Thomas holds the D.P.A. degree from the University of Southern California. He has served on the boards of the local ASPA chapters in both Miami and Jacksonville. Currently, he is treasurer of the Jacksonville chapter. Professor Thomas is a member of the Executive Council of the National Association of Schools of Public Affairs and Administration as well as a member of the Committee on Peer Review and Accreditation. Professor Thomas currently is secretary and archivist of ABFM.

Kurt Thurmaier is an assistant professor of public administration and Russian and East European studies at The University of Kansas. He teaches public budgeting, public finance, and quantitative analysis of public sector programs and policies. His research interests include budget decision making in state and local budget offices, and the evolution of local government budgeting and finance in Poland and other east European nations. Thurmaier was a budget and management analyst for four years in the Wisconsin State Budget Office. He

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ABFM Election...continued

left the budget office to pursue his Ph.D. at the Maxwell School, Syracuse University. Thurmaier was a Fulbright Scholar at the Jagiellonian University in Krakow in 1992 and currently serves as a consultant for ICMA, providing technical budgeting assistance to Poland. His publications appear in *Public Administration Review*, *Public Budgeting and Finance*, *Journal of Public Administration Research and Theory*, *State and Local Government Review*, and *Administration and Society*. Thurmaier has served the ABFM section as the 1994 ASPA conference track chair for budgeting and financial management panels. He has also organized the doctoral and state budget director panels for the annual ABFM meetings. He currently serves the ABFM section as the newsletter editor.

FROM THE CHAIR

I'm tempted to devote this issue's column to nothing but thank-yous. I have been fortunate in working with many people on the affairs of the association and greatly appreciate how helpful everyone has been. One major thank you goes to **Kurt Thurmaier** and The University of Kansas in taking over this newsletter and to Kurt's predecessor, **Paula Kearns** at Michigan State University.

As you know, one of the primary duties of the association's chair is to organize the national conference held each year in Washington, D.C. This year's conference is from October 10 through October 12. From the information supplied elsewhere in the newsletter, you should discern that we are developing a set of sessions that cover topics of major importance to our profession. Sessions will focus on all levels of government. Some sessions will emphasize budgeting, some finance, and some will span these areas. We expect to have a live demonstration of our homepage on Saturday morning so plan to stay for the entire conference.

Three policy topics will be covered at this year's conference. A plenary session will address the financial woes facing Social Security, and panel sessions will examine the financial aspects of prisons and environmental protection.

Friday evening at the conference (October 11, from 6:30 to 8:00 p.m.), we will be conducting our association's business meeting. Agenda items include proposed amendments to our section bylaws, which we are in the process of reviewing. We are exploring the possibility of shifting the term of office of the chair from April 1 to November 1. Such a change would allow the new

Chair...continued

chair to be in charge nearly a full year leading up to the October conference. We are also studying the pros and cons of moving the start of the association's fiscal year from July 1 to January 1. Please plan to attend and bring suggestions for improving the association and suggestions for next year's conference.

Of course, long before the ABFM conference is ASPA's national conference in Atlanta. Several important budgeting and finance panels have been scheduled. Also, plan to visit the ABFM room and meet with other members of the association. Marilyn Rubin, our past chair, will be hosting the scheduled meeting of the association.

This issue of the newsletter includes a ballot for selecting the association's next chair and for filling three seats on the executive committee. Please vote.

As chair, I have responsibility to appoint two officers. I am pleased to report that **Michael C. Bourgeois** has accepted my invitation to continue as treasurer and **Henry B. Thomas** has agreed to remain as secretary. The executive committee and the association's officers are engaged in several efforts. We have sought and received better reporting on the finances of Public Financial Publications, which is the parent organization of *Public Budgeting & Finance*, and which is jointly sponsored by ABFM and the American Association for Budget and Program Analysis. A logo is being developed for the association in order to help give it a stronger identity.

In the last newsletter, we announced that an ABFM homepage was under construction. The site is now operating and you are encouraged to visit it at <http://mailer.fsu.edu/~d1s2632/abfm/intro.hutml>

Special thanks go to **Carole Pettijohn**, **Diane Stottlemeyer**, **Dave Coursey** and Florida State University where the homepage is housed. Thanks also go to the other committee members **Mike Dougherty**, **Fred Thompson** and **Kurt Thurmaier**. ASPA now has a homepage <http://globe.lmi.org/aspawhich> should soon have a link to our homepage.

Please plan to attend the October conference. Hotel reservations should be made early in order to take advantage of the conference room rate.

VOTE! VOTE! VOTE! VOTE!

~ Bob Lee ~

Julie Bundt, a recent graduate of the University of Kansas, begins her new appointment this fall as an assistant professor at Northern Iowa University in Cedar Falls. Her dissertation, "The Search for the Just Institution: Financing America's Public Schools," examines issues of fairness in state education policy. It compares state education finance systems and the degree to which they minimize the disparity in per pupil spending between high property wealth and low property wealth districts. Julie's dissertation committee was chaired by **H. George Frederickson** at The University of Kansas' Public Administration Department. Julie will be teaching courses in American government and public administration. Her research interests include state and local public finance, especially school finance issues. Larger concerns are how equity is incorporated into policy problems.

Michael John Dougherty graduated from Virginia Tech with a Ph.D. in the environmental design and planning program in May 1995. His dissertation, "The Strategic Planning Role Perceptions of Virginia Local Government Chief Executive Officers," examined what impact the appointed local officials in Virginia had on the strategic planning process through the different roles they played. His advisor was **Richard E. Zody**, Professor, Department of Urban Affairs and Planning, at Virginia Tech. Since August 1995, Mike has been working with localities on budgeting and planning matters, and conducting a comprehensive and ongoing needs assessment of local public officials, as an extension specialist/extension assistant professor in the Division of Community and Economic Development at the West Virginia University Extension Service. His research interests are financial problems and management practices of localities, benchmarking, and matters related to planning. He also holds an appointment as an adjunct assistant professor in public administration at West Virginia University.

New Scholar's Highlights • New Scholar's Highlights • New Scholar's Highlights

Bankruptcy in Orange County...continued from page 2

Orange County's efforts to confront the financial crisis put a peculiar spin on classical stakeholder analysis. Creditors, vendors, residents using county services, and county employees took the brunt of the county's responses to bankruptcy and budget cuts. These categories translate into breaking faith, withdrawing help from the needy and dependent (and politically weak), and targeting vulnerable public employees as victims of choice and in lieu of raising taxes. The most protected class: current taxpayers.

Illustratively, fees at beaches and parks were raised, a prenatal and children's clinic closed, and other social services were eliminated or reduced (Sterngold, 1995, pp. D1, D8). The Social Services Agency especially was hard hit by a 27% cut in its operating budget and 24% cut in staff (Grad, 1996). These human costs are high, and the victims voiceless, by and large. With respect to creditors, Bruce Bennett, the corporate bankruptcy lawyer and Orange County's legal strategist, argued that certificates of participation are actually leases, not bonds, and therefore easier to repudiate (Orange County's Artful Dodger, 1995, pp. D1, D8). Although the fiscal 1995-1996 budget eliminated almost 3,000 county jobs (about 16%), and laid off almost 500 employees, budget proposals for the ensuing fiscal year include canceling approximately 1,000 vacant positions among the 15,400 remaining county jobs. Additionally, a member of the Board of Supervisors proposed a week's unpaid furlough for employees and lower salary levels for future hires (Grad, 1996).

The apparent willingness to victimize so many stakeholders is related logically to county taxpayers' reluctance to raise taxes, even to service debt. More than three-quarters of the respondents to a Times Poll conducted in January 1995 indicated opposition to raising taxes in order to pay back investors in Orange County's bonds (Reyes, 1995, p. A1). Several months later, in April 1995, a majority of respondents opposed the proposed sales tax increase. Their second most frequent explanation (26%) was opposition to new taxes; interestingly, the most frequently (45%) offered other explanation—or perhaps convenient rationalization—was that it is "unfair to pay for others' mistakes" (Platte, 1995, p. A1).

Finger pointing is not this author's intention. These observations are not meant to imply that voters, taxpayers, officials or other parties in Orange County are somehow exceptional in their attitudes or actions. On the contrary and as suggested in the first paragraph of this discussion, shifting blame (see below) and evading costs are pervasive in contemporary politics. Electoral, opinion, interview, and other empirical data confirm that tax resistance is widespread today and by no means is unique to Orange County. There are too many recent instances of bankruptcy filings, receiverships, and financial oversight boards to sustain an argument of exceptionalism. When an attitude or practice is common, the words of Thomas Paine are worth remembering. "A long habit of not thinking something wrong gives it the superficial appearance of being right."

As Fiduciary

Taking care also evokes the role of fiduciary, with its associated responsibilities central to governmental financial management. The law imposes fiduciary obligation on relationships keyed to trust and dependency (Clark, 1966, p. 69). "Holding government employees to a fiduciary standard is consistent with the theoretical foundations of representative government, the widespread tradition of referring to public office as a 'public trust,' and the common law" (Clark, 1966, p. 74). Fiduciary obligation also promotes and even demands professional competence.

That bankruptcy status granted by the federal court enabled Orange County to jettison legally some of its obligations illustrates the limitations of a unidimensional, legalistic concept of fiduciary. Governmental finance officials (and other government officials) rightfully and dutifully pursue the public interest broadly defined. NASBO enjoins members to personal accountability by "making decisions that take into account long term interest and the need to exercise leadership for posterity." From this perspective, the concept of stewardship is pivotal because it expands fiduciary obligation to encompass the ethical along with the legal. For example, stewardship encourages including future generations' interests in a definition of public interest (Frederickson, 1994). Stewardship is suitable especially when

intergenerational equity concerns come into play, as they should when long-term debt is incurred (or disinvestment permitted, or infrastructure allowed to deteriorate).

Taking Responsibility

Taking responsibility is fundamental to ethical decision making, as well as to citizenship and professional public service in a democracy. Because moral agents' responsibility for a decision or action usually is associated with the obligation to repair damage or ameliorate harm, evading responsibility turns on fixing the blame elsewhere. Voters, taxpayers, county leaders, legal strategists, and other parties joined in the scramble to off-load responsibility for bankruptcy and thereby attempt to escape its consequences. Blaming others was the first order of business, it seems. In the *Times Orange County* poll conducted just a week after the county filed for bankruptcy, three-fourths of the respondents indicated anger over "the actions of local officials that led to the financial crisis" and the county treasurer, supervisors, Wall Street, and others were named (Weikel, 1994, p.A1). A preoccupation with blame also is suggested to some degree in the county's \$2 billion suit against Merrill Lynch, wherein the county charged that the investment firm violated state law by selling the county high-risk investments.

There rarely is a legitimate excuse (meaning to be held blameless) for professional government finance officials' inadequately fulfilling their official duties. Maintaining professional competence is widely recognized as an obligation of holding the public office. GFOA's code requires members to "exercise prudence and integrity in the management of funds in their custody and in all financial transactions." NASBO's standards include "voluntarily correcting personal or institutional mistakes and improprieties" and "accepting personal responsibility for the foreseeable consequences of actions and inactions." Connecticut's GFOA observed, "Orange County will become a historic lesson in the annals of failed investment strategies" and warned members, "You must educate yourself to the risks" (Investment Corner, 1995, p. 10)

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Conclusion

In this case, as in so many others, the deficit is at least as much ethical as financial. The solution is elegantly but deceptively simple to prescribe: knowing the right thing to do, how to do it, and having the courage to act on this knowledge. Old-fashioned prudence is especially important here, "A traditional virtue familiar to the republic's founders, prudence in fact can be traced to the ancient Greeks to whom it embodied the wisdom to see the right thing, coupled with the will to do it. This is the basic practical virtue." (Lewis and Catron, 1996). Given the resources, power, and uneven sharing of benefit and harm in the governmental enterprise, public finance professionals can't afford to lose sight of what's right.

~ **Carol W. Lewis, copyright 1996** ~

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S. Kenneth Howard

Career Achievement Award

The Association for Budgeting and Financial Management, a section of the American Society for Public Administration, is accepting nominations for the S. Kenneth Howard Career Achievement Award.

The award, presented annually as a memorial to Howard's outstanding contributions to his profession, recognizes the exemplary work and professional integrity of selected individuals who have devoted a significant part of their public service careers to the advancement of public budgeting and financial management.

The selection criteria used in evaluating nominees includes a career that demonstrates a record of significant public sector accomplishments over a period of years, in areas such as:

1. Technical applications of budgeting, accounting, auditing, financial analysis and reporting, tax and revenue administration, treasury and debt management.
2. Development of significantly improved policies, procedures and systems to enhance accountability and improve performance.
3. Leadership in government, academic institutions and/or professional associations.
4. A record of sustained and close professional working relationships with elected public officials at all levels of government.
5. A lasting contribution to the public's confidence in the financial integrity of one or more jurisdictions in which the nominee has been associated.

Nominations should include an explanation of how the nominee meets the selection criteria and may also include other pertinent information. **Nominations will be accepted from individuals or organizations until July 15, 1996.** Please address all correspondence or requests for additional information to:

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(812) 855-0732
e-mail: Mikesell@spea.spea.indiana.edu

From the Editor

It is such a pleasure to belong to ABFM. This section is very active and filled with talented people. A big thank you goes to Carol Lewis for her article on Orange County's bankruptcy. Responses are welcome! We'll make room for feedback for those who agree or disagree!

As you can see, we have a great conference planned for October, so please mail your enclosed conference registration in today. And please mail your executive committee ballot today too! We have only highly qualified candidates to choose from (*if I don't say so myself*), so vote today and make sure our section remains healthy and vibrant!

~ **Kurt Thurmaier** ~

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