Course Title: Capital Budgeting (Online)
Course Number: 20:834:545-90
Professor: Norman Eckstein, MPA
Email Address: neckstei@andromeda.rutgers.edu

Course Description:

Capital Budgeting fulfills one of the courses in the Budgeting and Financial Management Concentration for the Master of Public Administration program students. During this semester, capital budgets for all government levels will be examined from both theoretical and practical perspectives. By participating in these discussions, the students will develop a greater appreciation and understanding about the different stages of the capital budgeting process.

Furthermore, the students will realize that capital budgets do not just express quantitative measurements. However, on the contrary, the students will view these budgets as documents that are dominated by underlying intricate details. These details explain why the preparation, approval, execution, and evaluation of capital budgets are challenging for all of the stakeholders involved in the budget process. Since the capital budgeting process never ends, future generations will learn from the successes and failures committed by previous policy makers.

Learning Objectives:

Upon completion of Capital Budgeting, students will develop an appreciation for what is meant by a capital improvement program. In addition, the students will learn how to evaluate and prioritize capital projects. Also, the students will be exposed to a comprehensive framework on how to finance capital projects. Ultimately, the students will be expected to implement, monitor, and evaluate capital projects.

Learning Format:

Capital Budgeting is an online course @
http://blackboard.newark.rutgers.edu

The professor will concurrently serve as a guide, a facilitator, and a teacher during the course discussions. If you encounter any technical problems accessing Blackboard please do not contact me. Instead you should contact the Help Desk in Hill Hall, Room 109. The phone number is (973) 353-5083, and the email address is help@newark.rutgers.edu
Course Requirements and Grading:

Evaluation will be based on Blackboard participation, written assignments, and the final paper.

The components of the final grade are the following:

- Blackboard Discussions on Public Finance Articles 20%
- Blackboard Discussions on the *Capital Budgeting and Finance Textbook* 20%
- Written Assignments on the *Capital Budgeting and Finance Textbook* 20%
- Blackboard Discussions on *A Practical Guide for Policy Analysis Textbook* 20%
- Final Paper 20%

Details for the Blackboard discussions, written assignments, and the final paper will be provided at the Blackboard site during the semester.

Students will be graded based upon the Grades and Symbols Policy at Rutgers University. [http://policies.rutgers.edu/PDF/Section10/10.2.2-current.pdf](http://policies.rutgers.edu/PDF/Section10/10.2.2-current.pdf)

Class Policies:

All written assignments should use the APA Style Manual.

Students with Disabilities:

*University policy requires that students with disabilities be provided reasonable accommodations to ensure their equal access to course content. If you have a documented disability and require accommodations, please contact the instructor at the beginning of the semester to make arrangements for necessary classroom adjustments.*

Disclaimer:

The professor will notify the students about any changes in the course schedule via email.

Required Textbooks:

#1


#2

# Capital Budgeting and Finance – A Guide For Local Governments
## Second Edition
### By
**Justin Marlowe, William C. Rivenbark, and A. John Vogt**

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<th>Chapter</th>
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<td>Capital Budgeting: Rationale, Scope, Policy, and Process</td>
<td>Thursday, January 24, 2013</td>
<td>Thursday, February 7, 2013</td>
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<td>2</td>
<td>Capital Improvement Program</td>
<td>Thursday, January 31, 2013</td>
<td>Thursday, February 14, 2013</td>
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We will start discussing capital expenditures and the capital budget process.

A discussion on the roles of needs assessment, financial condition analysis, and financial forecasting will highlight during this part of the course.

We will address cost benefit analysis, calculate NPV, and examine different approaches for ranking capital projects.

For our discussion on public – private partnerships, we will explore how such partnerships could help satisfy the needs of the public in an environment with limited resources.

We will start our exposure to financing capital projects.
Chapter 6: Pay-As-You Go Capital Financing

Start Reading & Blackboard Discussion: Thursday, February 28, 2013
Written Assignment Due: Thursday, March 14, 2013

Our discussion on this method will highlight the absence of debt.

Chapter 7: Debt Options

Start Reading & Blackboard Discussion: Thursday, March 7, 2013
Written Assignment Due: Thursday, March 28, 2013

Here, we will explore the different types of debt.

Chapter 8: Planning, Structuring, and Selling Debt

Start Reading & Blackboard Discussion: Thursday, March 14, 2013
Written Assignment Due: Thursday, April 4, 2013

How current events impact debt planning and management will be highlighted during these discussions.

Chapter 9: Implementation, Oversight, and Evaluation

Start Reading & Blackboard Discussion: Thursday, March 28, 2013
Written Assignment Due: Thursday, April 11, 2013

We will now focus on how to effectively implement, monitor, and evaluate capital projects.
Part I. The Eightfold Path
Step One: Define the Problem
Step Two: Assemble Some Evidence

Start Reading & Blackboard Discussion: Thursday, January 24, 2013

Part I. The Eightfold Path (Continues)
Step Three: Construct the Alternatives
Step Four: Select the Criteria

Start Reading & Blackboard Discussion: Thursday, January 31, 2013

Part I. The Eightfold Path (Continues)
Step Five: Project the Outcomes
Step Six: Confront the Trade-Offs

Start Reading & Blackboard Discussion: Thursday, February 7, 2013

Part I. The Eightfold Path (Continued)
Step Seven: Decide!
Step Eight: Tell Your Story

Start Reading & Blackboard Discussion: Thursday, February 14, 2013

Part II. Assembling Evidence
Getting Started
Locating Relevant Sources
Gaining Access and Engaging Assistance

Start Reading & Blackboard Discussion: Thursday, February 21, 2013

Part II. Assembling Evidence (Continued)
Conducting a Policy Research Interview
Using Language to Characterize and Calibrate
Protecting Credibility
Strategic Dilemmas of Policy Research

Start Reading & Blackboard Discussion: Thursday, February 28, 2013

Part III. “Smart (Best) Practices” Research:
Understanding and Making Use of What Look Like Good Ideas From Somewhere Else

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