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Can Grad Schools Bridge the Divide Between Policy and Public Finance?

New survey data shows the gap between policy wonks and finance geeks could be shrinking.

The perception of public finance's place in government operations is changing. A new survey shows that the divide between the policy wonks and the number crunchers could be narrowing.

For many years, public finance topics in policy schools generally referred to larger economic issues. Budgets are indeed policy-setting documents, but the math part of it was better left to the experts. And an analogous view was often taken by those (like accountants or CFOs) studying the numbers – their role was to report the numbers, not comment on policy.

In fact, a recent response by a treasurer to a Governing survey question about whether respondents preferred to hire policy school graduates belies that idea: “As treasurer,” the respondent wrote, “my department is more concerned with accounting and cash management than public policy.”

But that same survey, conducted between June 30 and July 17, indicated that overall attitudes about the importance and usefulness of a public finance education in policy school may be changing. According to respondents, their public finance course (or courses) was one of the top three most helpful in their careers. Still, budgeting as a skill didn't crack the top three in terms career of importance.

The survey results come from a systematic random sample of 189 senior state, county and city officials who have graduate degrees and represent a mix of high level elected, appointed and civil service positions. The [main findings of the survey](#) were a ringing endorsement of policy school as a whole – 88 percent said their coursework prepared them for their current careers in government and, separately, nine in 10 said they would prefer to hire someone with a graduate degree in a government-related field.

Over the last decade, many policy schools have started to emphasize that the budget and financial stability is everyone's responsibility. That is likely why in the survey, in which most respondents had at least 10 years of experience in government, indicated that public finance was important but budgeting (as a professional skill) was less important.

That dichotomy, said Justin Marlowe, who teaches budgeting and financial management at the Evans School of Public Affairs at the University of Washington, reflects the generational divide between the old way of teaching things and the new way. And the new way, he said, is that “everyone has a role to play. It's not enough for everyone to just play the budget game and hope there will be enough money. The contemporary perspective is that good budgeting, cost analysis – these are really crucial.”

The Evans School, for example, launched the Public Financial Leadership Academy in 2012. Geared toward those already holding a position in government finance, the academy gives enrollees a week-long deep dive in management leadership skills and techniques. The program emphasizes that it's

not enough for people to understand numbers — they have to be able to take financial statements and make them come alive to audiences. Similar programs exist at schools across the country and are in high demand. The University of North Carolina's Introduction to Local Government Finance course is not only full, its wait list has been closed because of the backlog of eager enrollees.

Still, even if policy schools are making the attempts to bridge the gap, there's still the plain fact that many students enter graduate school because they want to effect change and are focused on big picture topics. (Public speaking and teamwork were the top two skills respondents said they learned in school.) With that mindset, the basics of public finance can seem like minutia. Relmond Van Daniker, CEO of the Association of Government Accountants, saw that often during his 31 years of teaching undergraduate and graduate students. "Debit and credits, putting a budget together, how to control costs - really an awful lot of them just weren't interested," he said.

But the overall idea that government finance experts should be put in the proverbial corner (with no objection on their part), is giving way with the help of some higher-profile accounts. "We're in the middle of a transformational change," said Marlowe, who is also a Governing contributor. He pointed to Chicago CFO Lois Scott, who has been vocal not only about the financial problems of the city, but how to fix them. "Yeah, you're a CPA," he said. "But you have to think like a leader."

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BY LIZ FARMER | JULY 29, 2014