Governmental accounting and election propositions

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ABSTRACT

This case study introduces the connection between governmental accounting and public policy by having students analyze propositions/initiatives in elections. The goals of the case are to relate governmental accounting material to the economic impact of the ballot measures and highlight the relevancy of the topics covered, with the indirect objective of encouraging informed voter participation. The case is a written research and analysis assignment that can be adapted to utilize fiscal ballot measures in any state and or local government. Students are assigned a proposition and asked to fully research both aspects of the initiative, including analyzing the financial implications, and concludes with an in-class, peer-to-peer discussion dissecting each measure, discussing the ‘for’ and ‘against’ arguments and explaining the fiscal impact as it relates to material discussed in class.

Keywords: governmental accounting, public policy, propositions, elections, critical thinking

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INTRODUCTION

This case study introduces a connection between governmental accounting and public policy by analyzing general election propositions. The objective of this case is not to influence students’ opinions or to place financial motivation at the forefront of voting choices. Instead, the focus is investing student interest in voter participation and highlight the applicability of governmental accounting to any interested party (and not only those planning careers as government accountants or future CPA candidates).

There have been several research studies that have incorporated innovative ways of teaching accounting concepts. Bowen et. al. (2021) created a fun first day of class exercise called ‘the information game’ to introduce students to the importance of accounting and auditing in an auction-type setting. Additionally, there have been studies that provide innovative ways on how to increase engagement in accounting courses. Tietz and Cainas (2018) provides creative ways to utilize social media tools in your accounting courses (specifically Snapchat) and Lanier et. al. (2020) provides insight on how to incorporate reality TV into the classroom to apply accounting topics in a fun and relevant way. Castleberry (2007) adapted a real-world approach to introduce ethics by taking MBA students to a prison to interview white collar criminals firsthand to highlight and discuss their ethical lapses. This case study attempts to compliment this stream of research by applying accounting material to a real-world setting utilizing a non-traditional approach.

THE CASE AS PRESENTED TO STUDENTS

Purpose: The purpose of this study is to connect material from governmental accounting to real world elections. This is intended to motivate you as a voter and provide a better understanding of how to apply your knowledge from the course to governmental policy. You will vote on ballot measures in a mock election during the first week of the semester and in a second election after the assignment is due to assess any changes in your opinion.

Instructions: Your instructor has chosen propositions from the General Election for you to analyze. You have been assigned one proposition or measure by your instructor. Please answer the following questions for the proposition that you have been assigned. Be prepared to share your findings about the proposition with the class. You will be graded on your ability to analyze the measure/proposition and the quality of your responses. You must complete the required writing assignment below and participate in the discussion (either face-to-face or via zoom) to receive full credit for the case study. Please note that for the discussion, you are not required to share your personal view with the class, only the objective results of your research.

This assignment should be written in your own words and appropriate citations should be used. Parts I - III of this paper should be written objectively, which means you are presenting both sides of the measure without including your opinion of the measure. In Part IV, you will share your supported view on why you would vote ‘yes’ or ‘no’. To get you started, please download the Official Voter Information Guide (2020). Do NOT just copy and paste what is included in the Official Voter Information Guide as your assignment will be scanned through plagiarism software.

Part I Summary: Read through the proposition or measure in its entirety and perform a thorough investigation, which may include academic research, websites, podcasts, etc. (you will discuss this research fully in Part II). Based on your supported findings, describe in your own
words what this measure is proposing to change. Be sure in include verbiage that is transparent and clear for any voter (not just accountants). What would a “yes” vote mean? What would a “no” vote mean?

Part II Oppositions: Describe in detail the research you found in Part I, including a clear identification of arguments that are in favor of this measure, and arguments that are against this measure. You should have at least two outside sources that support your findings for a yes argument, and at least two outside sources that support your findings for a no argument. Identify at least one interest group that supports a ‘yes’ vote, and one interest group that supports a ‘no’ vote. Fully explain their support of the measure and make sure to cite your sources. Once you have done your research, describe (in your own words) the major arguments in favor of the proposition/measure and major arguments against the proposition/measure.

Part III Fiscal Impact: Consider the financial impact of this proposition and relate this to material that we have covered in class. To fully respond to this section, please address the following questions (including any proper citation as needed):
1. If this proposition were to be passed, what is the financial impact for the city, state, or citizens?
2. How will this measure be funded (i.e., serial bond, term bond, special tax, etc.) and how much is it going to cost?
3. Who will be responsible for paying for this measure?
4. If this measure were to pass, where on the financial statements will you see the impact (government-wide and/or funds as applicable)? Be specific as to the funding instrument and describe current and long-term financial statement implications at the government-wide and fund level (as applicable).
5. What are any social or environmental impacts that should be considered?
6. What is an alternative approach for funding the proposition? Be specific as to the funding instrument and describe current and long-term financial statement implications at the government-wide and fund level (as applicable).

Part IV Personal View: Based on your educated opinion, how would you vote for this proposition/measure? Why? Be sure to support your opinion and explain why it has or does not have your support. Describe how your research of this proposition impacted your ultimate decision. Do you feel the proposition/measure is written in a way for a common citizen to fully understand what they are voting on? Explain. How would you change the proposition/measure to improve it?
TEACHING NOTES

Learning Objectives and Suggested Use of the Case

The learning objectives for this assignment are as follows:
LO 1: Establish a connection between governmental accounting and real-world application.
LO2: Explain and discuss the governmental accounting related issues as it relates to fiscal policy and proposed initiatives.
LO3: Apply critical thinking to public policy initiatives/ measures.

Course and Audience

This case is written to be utilized in an undergraduate course that covers governmental accounting (typically a governmental and nonprofit accounting course) but could be adapted to any course that discusses elections and public policy. The measures selected for the assignment can be any state or local government initiatives. A sample list of propositions can be found in Table 1 (Appendix), which were from the California General Election in 2020. The overall goal is to solicit interest in the material in a creative way, and to encourage students to be active members of their communities by applying their knowledge to public policy. This case also promotes critical thinking as it relates to improvement on the current measures and allows the instructor to assess their knowledge and comprehension of the material as it relates to governmental funding.

Implementation

The case study can be delivered in a course of any modality as the discussion piece can be facilitated in person or online (via zoom or discussion board). Ideally, the case will begin at the start of the semester with students participating in a mock election facilitated using a google form (or any survey collecting software) where they are asked to vote on all measures selected for the assignment, prior to the course covering any substantial material. The instructor assigns each student one proposition (allocated randomly), typically after discussing fund accounting chapters and bonds/long-term debt. Students should complete the written assignment outside of class to give ample time to research both sides of the measure they are assigned. The in-class discussion portion is a critical piece as it requires students to present their findings to the class, which allows students that did not do a deep dive of that proposition a chance to learn more and ask questions to the presenters. An entire class period can be devoted to these presentations and discussions. Once the presentation/discussion day has taken place, the students will submit the google form again as a 2nd mock election. The instructor can accumulate those results and share them with the class. An example of presentation slides showcasing election results can be found in Table 2 (Appendix).

Student Survey Results

The effectiveness of this case was measured utilizing data collected in mock elections at the beginning of the semester and after the assignment had been completed. This case study had been assigned for three semesters and included approximately 98 observations of students who
voted in both round 1 and round 2 of the mock elections. Table 3 (Appendix) highlights the outcomes of round 1 and round 2 of each proposition, accumulated overall.

It is noteworthy to highlight the percentages of students that changed their original vote from round 1 vs. round 2. While some of the measures were more heavily focused on funding/bond approval (which more closely ties to the material in the class), others were social matters (with indirect fiscal effects relating back to course material). Interestingly, the two measures that generated the largest number of changes in votes were proposition 19, which 44% of students overall went from either a ‘yes’ to a ‘no’ or a ‘no’ to a ‘yes’ and had to do with changing property tax rules. The other was proposition 22, which 46% of students overall changed their vote and had to with requiring app-based transportation and delivery companies (i.e., Uber, Lift, etc.) from providing health insurance to their drivers by distinguishing them as either employees or independent contractors.

As part of the survey, student efficacy questions were included regarding the accounting implications of the measures pre and post classroom material using a 5-point Likert scale. Table 4 (Appendix) summarizes overall responses and highlights a clear increase from the beginning of the semester to the end of the semester.

CONCLUSION

The goal of this case study is to apply the material from a governmental accounting course to the real world in a creative and effective way. Many students who take governmental accounting are future CPA candidates or have an interest in a career in the government/nonprofit industry. This case broadens the scope of governmental accounting material and highlights the importance of how the course material interacts with public policy and can have implications for state and local citizens. An indirect outcome of the case study is also to encourage and highlight the importance of voting.

REFERENCES

Tietz, W., & Cainas, J. (2018). USE SNAPCHAT TO ENGAGE STUDENTS: University professors who leverage social media tools in their accounting courses can increase interest and make the material more accessible. Strategic Finance, 100(2), 67-72.
APPENDIX

Table 1 Sample Propositions from the 2020 California General Election

<table>
<thead>
<tr>
<th>PROP 14: Authorizes Bonds Continuing Stem Cell Research. Initiative Statute</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROP 15: Increases Funding Sources for Public Schools, Community Colleges, and Local Government Services by Changing Tax Assessment of Commercial and Industrial Property. Initiative Constitutional Amendment</td>
</tr>
<tr>
<td>PROP 19: Changes Certain Property Tax Rules. Legislative Constitutional Amendment.</td>
</tr>
<tr>
<td>PROP 21: Expands Local Governments Authority to Enact Rent Control on Residential Property. Initiative Statute.</td>
</tr>
<tr>
<td>PROP 22: Exempts App-Based Transportation and Delivery Companies from Providing Employee Benefits to Certain Drivers. Initiative Statute</td>
</tr>
<tr>
<td>PROP 25: Referendum on Law That Replaced Money Bail with System Based on Public Safety and Flight Risk.</td>
</tr>
</tbody>
</table>

Table 2 Election Result Power Point Slide Example


<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class Round 1: 91.7 %</td>
<td>Class Round 1: 8.3 %</td>
</tr>
<tr>
<td>Class Round 2: 48%</td>
<td>Class Round 2: 52%</td>
</tr>
<tr>
<td>Election: 51.05%</td>
<td>Election: 48.95%</td>
</tr>
</tbody>
</table>

# of Students Who Changed Their vote: 14 (42%)
### Table 3 Student Voting Results

<table>
<thead>
<tr>
<th>Voting Round</th>
<th>PROP 14 1st</th>
<th>PROP 14 2nd</th>
<th>PROP 15 1st</th>
<th>PROP 15 2nd</th>
<th>PROP 19 1st</th>
<th>PROP 19 2nd</th>
<th>PROP 21 1st</th>
<th>PROP 21 2nd</th>
<th>PROP 22 1st</th>
<th>PROP 22 2nd</th>
<th>PROP 25 1st</th>
<th>PROP 25 2nd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total # Students</td>
<td>107 98</td>
<td>107 98</td>
<td>107 98</td>
<td>107 98</td>
<td>107 98</td>
<td>107 98</td>
<td>107 98</td>
<td>107 98</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>84%</td>
<td>64%</td>
<td>79%</td>
<td>60%</td>
<td>46%</td>
<td>40%</td>
<td>51%</td>
<td>43%</td>
<td>36%</td>
<td>51%</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>No</td>
<td>16%</td>
<td>36%</td>
<td>21%</td>
<td>40%</td>
<td>54%</td>
<td>60%</td>
<td>49%</td>
<td>57%</td>
<td>64%</td>
<td>49%</td>
<td>51%</td>
<td>58%</td>
</tr>
<tr>
<td>Outcome</td>
<td>PASS</td>
<td>PASS</td>
<td>PASS</td>
<td>PASS</td>
<td>NO PASS</td>
<td>NO PASS</td>
<td>PASS</td>
<td>NO PASS</td>
<td>PASS</td>
<td>NO PASS</td>
<td>PASS</td>
<td>NO PASS</td>
</tr>
<tr>
<td># Students Changed Their Vote</td>
<td>33</td>
<td>35</td>
<td>43</td>
<td>33</td>
<td>45</td>
<td>19</td>
<td>34%</td>
<td>36%</td>
<td>44%</td>
<td>34%</td>
<td>46%</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Table 4 Student Efficacy Survey Results

#### I can clearly explain and discuss the accounting concepts as it relates to my ballot choices

- **1st Round**: 30% Strongly Disagree, 20% Disagree, 10% Neutral, 20% Agree, 10% Strongly Agree
- **2nd Round**: 20% Strongly Disagree, 30% Disagree, 15% Neutral, 35% Agree, 5% Strongly Agree

#### I feel confident that I fully understand the fiscal impact of my ballot choices and they align with my personal views.

- **1st Round**: 40% Strongly Disagree, 30% Disagree, 20% Neutral, 10% Agree, 0% Strongly Agree
- **2nd Round**: 30% Strongly Disagree, 40% Disagree, 20% Neutral, 10% Agree, 0% Strongly Agree
I can analyze the ballot measures effectively using my current accounting knowledge.