

Introduction to the Issue


Craig S. Maher^{i,c}, Bruce D. McDonald IIIⁱⁱ


This edition of *Public Finance Journal* brings together research exploring critical issues in public finance, from voter perceptions of fiscal health to the evolving landscape of municipal finance and intergovernmental grants. As governments at all levels navigate financial sustainability, transparency, and accountability, these studies provide fresh insights into how financial policies and practices influence governance and public trust. The articles examine the political consequences of municipal credit ratings, the practical challenges of public records laws, the complexities of managing federal grants at the local level, and the rise of green bonds as a financial instrument for sustainable development. This research highlights the intersection of finance and governance, offering new perspectives on fiscal decision-making and public sector effectiveness. With a growing emphasis on evidence-based financial management, this collection informs scholars and practitioners on how financial policies shape government performance and public engagement.

Keywords: Fiscal Transparency, Government Accountability, Municipal Bonds

The field of public finance continues to evolve as scholars explore the financial mechanisms, governance structures, and public policies that shape fiscal decision-making at all levels of government. (see McDonald et al., 2024) In this edition of *Public Finance Journal*, we present four studies that contribute valuable insights into emerging and persistent challenges in public finance, from the evolution of municipal green bond issuance to the determinants of local grant management capacity, the transparency of public finance information requests, and the influence of fiscal indicators on voter behavior.

This edition is particularly notable as it features the first recipients of the GovFiPrize, awarded by the Government Finance Officers Association (GFOA) to recognize outstanding research in governmental finance.ⁱ The studies by Carolyn Abott, Matthew Incantalupo, and Akheil Singla (2025) and Kip Murray and Cathy Landry (2025) exemplify the spirit of this prize, offering rigorous, policy-relevant scholarship that enhances our understanding of the intersection between public finance and governance.

ⁱ School of Public Administration, University of Nebraska Omaha.  <https://orcid.org/0000-0001-5562-3473>.

ⁱⁱ School of Public Service, Old Dominion University.  <https://orcid.org/0000-0001-8963-8606>.

^c Corresponding Author: csmaher@unomaha.edu.

Abbott, Incantalupo, and Singla's (2025) research delves into how municipal credit ratings influence voter perceptions of incumbents, revealing that fiscal health can be as politically salient as crime rates when communicated. This study underscores the broader implications of financial transparency in democratic accountability, demonstrating that voters—even those with lower political knowledge—respond meaningfully to changes in municipal credit ratings. Such findings challenge the notion that fiscal matters are too complex to engage the general electorate and suggest that public officials must carefully consider how financial signals shape political outcomes.

Murray, in collaboration with Landry (2025), explores public demand for financial information through an analysis of public records requests submitted to the City of Bellevue's Finance and Asset Management Department. Their study builds on national research indicating that while freedom of information laws are designed to promote government accountability, a significant portion of requests are driven by private commercial interests. Their findings provoke important questions about the trade-offs between transparency, administrative efficiency, and the true function of open records laws in contemporary governance.

Bunch and Strauss' (2025) study examines the evolution of green bond issuance by U.S. state and local governments. With climate finance becoming an increasingly critical component of municipal borrowing, this research provides empirical insights into the growth of green bonds, the role of external verification, and the challenges of maintaining credibility in sustainable finance. The study finds that while green bonds have proliferated, they remain a small segment of the municipal bond market, and concerns about "greenwashing" persist due to inconsistent reporting standards. These findings have significant implications for policymakers and investors seeking to balance environmental commitments with financial prudence.

Finally, Aldag (2025) investigates the determinants of local government capacity in managing federal grant funds. Using survey data, this study identifies key factors that influence a locality's ability to secure and effectively administer intergovernmental transfers. The research highlights the enduring challenge of "local capacity bias," in which well-resourced jurisdictions are more successful in obtaining and utilizing grants, potentially exacerbating fiscal disparities among local governments. Understanding these dynamics is crucial for designing more equitable and effective grant allocation systems.

These four articles illustrate the breadth and depth of contemporary public finance research. They challenge existing assumptions, offer novel empirical findings, and provide actionable insights for policymakers, finance officers, and scholars alike. As we navigate the complexities of fiscal governance, these contributions serve as a testament to the power of rigorous research in shaping sound financial decision-making and promoting fiscal sustainability at all levels of government.

This issue of *Public Finance Journal* ends with two book reviews. Given the focus of the journal, we strive to publish reviews that improve the reader's understanding of public budgeting and finance as it pertains to both a practitioner and academic setting. In the first book review, Gabrini (2025) provides a solid review of *Municipal Corruption: From Politics to People* to help us understand why some U.S. cities are more likely to fall victim to corruption than others. In the second review, Hunter (2025) reviews *Nonprofit Neighborhoods: An Urban History of Inequality and the American State*, which reflects on how our modern local "safety net" is representative of an intentional effort by Washington over the past 60 years to extend assistance and support to residents in America's distressed, underprivileged, and disinvested communities.

Endote

¹ For more information on the GovFiPrize, see <https://www.gfoa.org/govfi-prize-information>.

References

- Abott, C., Incantalupo, M. B., & Singla, A. (2025). Informing voters about public finance: Evidence from a survey experiment. *Public Finance Journal*, 2(1), 7-20. <https://doi.org/10.59469/pfj.2025.31>
- Aldag, A. M. (2025). Local management of federal grants: Determinants of awards and government capacity. *Public Finance Journal*, 2(1), 39-55. <https://doi.org/10.59469/pfj.2025.25>
- Bunch, B., & Strauss, R. P. (2025). Evolution of U.S. state and local government green bond issuance. *Public Finance Journal*, 2(1), 56-72. <https://doi.org/10.59469/pfj.2025.34>
- Gabrini, C. J. (2025). Municipal corruption: From politics to people. *Public Finance Journal*, 2(1), XX-XX. <https://doi.org/10.59469/pfj.2025.57>
- Hunter, K. W. (2025). Nonprofit neighborhoods: An urban history of inequality and the American state. *Public Finance Journal*, 2(1), XX-XX. <https://doi.org/10.59469/pfj.2025.58>
- McDonald, B. D., Larson, S. E., Maher, C. S., Kavanagh, S., Hunter, K. W., Goodman, C. B., Minkowitz, H., McCandless, S. A., Afshan, S., Jordan, M. M., et al. (2024). Establishing an agenda for public budgeting and finance research. *Public Finance Journal*, 1(1), 9-27. <https://doi.org/10.59469/pfj.2024.15>
- Murray, K., & Landry, C. (2025). What does the public really want to know about public finance? It's not crystal clear, but the public wants profit! *Public Finance Journal*, 2(1), 21-38. <https://doi.org/10.59469/pfj.2025.29>

