

INTRODUCTION TO PUBLIC FINANCE THEORY

POLS 6330

Fall 2021

COURSE MEETS: Tuesdays 4:15—7:00

CONTACT DETAILS:

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Course Description and Objectives:

This course serves as a broad introduction to both the theory and practice of public finance at the federal, state, and local levels of government in the United States.

Public economics (also public finance) is the study of the role of government in the economy. It is defined around four questions: When should governments intervene? How should governments intervene? What is the impact of government intervention on the economy? And why do governments intervene in the way that they do?

Government activities account for nearly a third of all economic activity in the United States. While this proportion seems large, it is actually smaller than the government's share of Gross Domestic Product (GDP) in other economically developed countries. Nonetheless, our government (really governments since there are three levels that take an active part) affects nearly everything that ordinary citizens do, in ways both good and bad. The primary focus of the course will be on the taxing and the spending activities of government. This is not to say that government's other avenue of economic intervention, namely monetary policy, is unimportant. It is just because there is not enough time in the semester to cover everything in detail. In order to analyze government's economic activities we will use the concepts of economics. You will not need an advanced economics or math background to take the course (it doesn't hurt to have some basic

economics though) but you will have to examine and understand basic graphs. In this course, we will, broadly speaking:

- Examine foundations of welfare economics and the economic rationales for the role of government in the economy.
- Focus on the efficiency and equity of resource allocations with and without government intervention.
- Analyze public policy using two lenses: expenditures and revenues.

We will also focus on the development, significance, and size of the government's fiscal structures, and the various forms of government revenue, as well as their economic impacts and broader policy implications. We will examine the tax structure, considering such questions as what is efficiency? How do we balance equity and efficiency? And what are the economic incidence of major tax instruments? In addition, we will discuss expenditure analysis and the economic effects of public programs.

Required Textbooks:

1. Stiglitz, Joseph E., *Economics of the Public Sector*, 4th Edition, 2015, (W.W.Norton & Company). (S)

Schedule of Reading Assignments:

S, Chap. 1	Aug. 31
S, Chap. 2	Sep. 7
S, Chap. 3	Sep. 14
S, Chap. 4	Sep. 21
S, Chap. 5	Sep. 28
S, Chap. 6	Oct. 5
S, Chap. 7	Oct. 12
Midterm Exam	Oct. 19 (Chaps 1—7)
S, Chap. 8	Oct. 26 (fall break is Oct. 28-29)
S, Chap. 9	Nov. 2
S, Chap. 10	Nov. 9
S, Chap. 11	Nov. 16
S, Chap. 12	Nov. 23 (Thanksgiving is Nov. 24-26)
S, Chap 13	Nov. 30
S, Chap. 14	Dec. 7
Final Exam	Due Dec.

Assignments and Grading:

Online quizzes (12 in total, the one with lowest score will be dropped) due. (25%)

Midterm (20%) and Final Exam (25%)

Class Discussion (25%)

Attendance (5%)

For PhD students: Literature Review Paper (40%. Exams will account for 20% of grade and attendance will not count.)

Lit. Review Outline	Due Sep. 14
Annotated Bibliography	Due Oct.12
Lit Review 1 st Draft	Due Nov.16
Submit Final Lit. Review	Due Dec.14

Class Discussion Board. By using the course's discussion board tool, we will be able to cover all of the material and still have adequate time for in-depth discussion. I recognize that if you're like most normal people, physical and mental energy begins fading by the afternoon, especially if you've also worked at a job all day before. Thus, the discussion board enables us to devote our attention to the subject during times of the day when we are more alert. In effect, I am timeshifting an hour of class time from the classroom to outside-of-class, where and when you can work on the assignments at your leisure.

Midterm Exam (Either in-class or Online due Oct.22)

Final Exam (Online due on Dec. 14)

Course Administration:

Attendance Policy:

Your success in this course will depend on your ability to complete the daily reading and weekly writing and discussion assignments as well as the your ability to read the biography of Benjamin Franklin as if you were having a conversation with the author each day. Absence in three classes without a reason that is out of the control of the student will result in a one level drop in the final grade (i.e. illness, work conflict, medical emergency, etc.)

Courtesy Expectations:

Students will treat their classroom obligations as they would treat any serious professional engagement. That includes:

- 1) Preparing thoroughly for each session in accordance with the instructor's request;
- 2) Adhering to deadlines and timetables established by the instructor;
- 3) Providing constructive feedback to faculty members regarding their performance.

Honor Code

Students are expected to be honest in their academic work. The University reserves the right to penalize

any student whose academic conduct at any time is, in its judgment, detrimental to the University. Such conduct shall include cases of plagiarism, collusion, cheating, giving or receiving or offering or soliciting information in examinations, or the use of previously prepared material in examinations or quizzes. Violations should be reported to me and will be investigated and adjudicated according to the Policy on Academic Honesty of the College of Arts and Sciences. If the charges are found to be true, the student may be liable for academic or disciplinary probation, suspension, or expulsion from the University. Please refer to the university policy at <http://www.slu.edu/x12657.xml>.

Expectations and Procedures

Technology

Put everything on mute. You do not need to use your laptop for this course. Please take notes the old fashioned way. This will dissuade the trend of college students to browse the web, check e-mail, and frequent social networking sites during lecture. I will email all lecture powerpoints after the daily lecture.

Communication

I will post grades, send class e-mails, etc. through the SLU Banner system. Be sure that you can access the e-mail address listed. I will only send e-mail out to your SLU e-mail accounts listed on the course roster in Banner. I will not keep track of any other e-mail addresses you may use.

Disabilities

In recognition that people learn in a variety of ways and that learning is influenced by multiple factors (e.g., prior experience, study skills, learning disability), resources to support student success are available on campus. Students who think they might benefit from these resources can find out more about:

_ Course-level support (e.g., faculty member, departmental resources, etc.) by asking your course instructor.

_ University-level support (e.g., tutoring/writing services, Disability Services) by going to www.slu.edu/success.

Students who believe that, due to a disability, they could benefit from academic accommodations are encouraged to contact Disability Services at the Student Success Center.

Confidentiality

will be observed in all inquiries. Course instructors support student accommodation requests when an approved letter from Disability Services has been received and when students discuss these accommodations with the instructor after receipt of the approved letter

University Writing Services: I encourage you to take advantage of University Writing Services; getting feedback benefits all writers! Trained writing consultants can help with any writing, multimedia project, or oral presentation. During one-on-one consultations, you can work on everything from brainstorming and developing ideas to crafting strong sentences and documenting sources. *These services do fill up*, so please make an appointment! Also, bring your assignment description, and a few goals, to the consultation! For more information, or to make an appointment, visit www.slu.edu/writingservices.xml or call 977-3484.

Grading Scale

<u>Letter Grade</u>	<u>Percentage</u>
A	93-100
A-	90-92
B+	87-89
B	83-86
B-	80-82
C+	77-79
C	73-76
C-	70-72
D	60-69
F	<60

I reserve the right to make alterations in the grading of the assignments, i.e., the final points breakdown of each assignment based on unforeseen circumstances that may arise during the semester.

Academic Integrity Syllabus Statement

Academic integrity is honest, truthful and responsible conduct in all academic endeavors. The mission of Saint Louis University is "the pursuit of truth for the greater glory of God and for the service of humanity." Accordingly, all acts of falsehood demean and compromise the corporate endeavors of teaching, research, health care, and community service via which SLU embodies its mission. The University strives to prepare students for lives of personal and professional integrity, and therefore regards all breaches of academic integrity as matters of serious concern.

The governing University-level Academic Integrity Policy was adopted in Spring 2015, and can be accessed on the Provost's Office website at:

http://www.slu.edu/Documents/provost/academic_affairs/University-wide%20Academic%20Integrity%20Policy%20FINAL%20%206-26-15.pdf.

Additionally, each SLU College, School, and Center has adopted its own academic integrity policies, available on their respective websites. All SLU students are expected to know and abide by these policies, which detail definitions of violations, processes for reporting violations, sanctions, and appeals. Please direct questions about any facet of academic integrity to your faculty, the chair of the department of your academic program, or the Dean/Director of the College, School or Center in which your program is housed.

Specific College of Arts and Sciences Academic Honesty Policies and Procedures may be found at:

<http://www.slu.edu/x12657.xml>

Title IX Syllabus Statement

Saint Louis University and its faculty are committed to supporting our students and seeking an environment that is free of bias, discrimination, and harassment. If you have encountered any form of sexual misconduct (e.g. sexual assault, sexual harassment, stalking, domestic or dating violence), we encourage you to report this to the University. If you speak with a faculty member about an incident of misconduct, that faculty member must notify SLU's Title IX coordinator, (DuBourg Hall, room 36; akratky@slu.edu; 314-977-3886) and share the basic fact of your experience with her. The Title IX coordinator will then be available to assist you in understanding all of your options and in connecting you with all possible resources on and off campus.

If you wish to speak with a confidential source, you may contact the counselors at the University Counseling Center at 314-977-TALK. To view SLU's sexual misconduct policy and for resources, please visit the following web address:

<http://www.slu.edu/general-counsel-home/office-of-institutional-equity-and-diversity/sexual-misconduct-policy> www.slu.edu/here4you .

Student Success Center Syllabi Statements

In an effort to be inclusive of students' learning styles and needs with regard to academic support, the following statement has been developed for use in course syllabi which identifies resources for student support in various areas of learning. As faculty members construct their syllabi for future courses, it is requested that they update materials to include new language regarding academic and career related support offered to students through the Student Success Center.

The syllabus statement will be available throughout the year by visiting the following websites, but we encourage you to place these resources on any departmental websites you feel necessary:

- **Student Success Center:** www.slu.edu/success<http://www.slu.edu/success>
- **Reinert Center for Transformative Teaching & Learning:** www.slu.edu/ctl<http://www.slu.edu/ctl>

Student Success Center Syllabus Statement:

In recognition that people learn in a variety of ways and that learning is influenced by multiple factors (e.g., prior experience, study skills, learning disability), resources to support student success are available on campus. The Student Success Center, a one-stop shop, which assists students with academic and career related services, is located in the Busch Student Center (Suite, 331) and the School of Nursing (Suite, 114). Students who think they might benefit from these resources can find out more about:

- Course-level support (e.g., faculty member, departmental resources, etc.) by asking your course instructor.

- University-level support (e.g., tutoring services, university writing services, disability services, academic coaching, career services, and/or facets of curriculum planning) by visiting the Student Success Center or by going to www.slu.edu/success.

Disability Services Academic Accommodations Syllabus Statement

Students with a documented disability who wish to request academic accommodations are encouraged to contact Disability Services to discuss accommodation requests and eligibility requirements. Please contact Disability Services, located within the Student Success Center, at Disability_services@slu.edu or 314.977.3484 to schedule an appointment. Confidentiality will be observed in all inquiries. Once approved, information about academic accommodations will be shared with course instructors via email from Disability Services and viewed within Banner via the instructor's course roster.

University Covid Policy

TEMPORARY Mandatory Syllabus Statement on In-Class Attendance & Participation

Effective: August 1, 2020 - TBD

1.0 Introduction

SLU's current [University Attendance Policy](#) does not address challenges related to in-class attendance (and in-person participation in class-related activities) raised in the COVID-19 era.

2.0 Scope

This statement is required for all syllabi for all courses at all locations (*except the Madrid Campus*) offered by the colleges/schools and other academic units reporting to the University Provost.

3.0 Mandatory Syllabus Statement on In-Person Class Attendance and Participation

The health and well-being of SLU's students, staff, and faculty are critical concerns. Accordingly, the following University policy statements on in-person class attendance are designed to preserve and advance the collective health and well-being of our institutional constituencies.

1. Students who exhibit any [potential COVID symptoms](#) (those that cannot be attributed to some other medical condition the students are known to have, such as allergies, asthma, etc.) shall absent themselves from any in-person class attendance or in-person participation in any class-related activity until they have been evaluated by a qualified medical official. Students should contact the [University Student Health Center](#) for immediate assistance.
2. Students who exhibit any [potential COVID symptoms](#) (those that cannot be attributed to some other medical condition the students are known to have, such as allergies, asthma, etc.) but who feel well enough to a) attend the course synchronously in an online class session or b) participate in asynchronous online class activities, are expected to do so. Those who do not feel well enough to do so should absent themselves accordingly.
3. Students (whether exhibiting any of potential COVID symptoms or not, and regardless of how they feel) who are under either an isolation or quarantine directive issued by a qualified health official must absent themselves from all in-person course activity per the stipulations of the isolation or quarantine directive. They are expected to participate in synchronous or asynchronous online class activities as they feel able to do so, or absent themselves accordingly.
4. Students are responsible for notifying each instructor of an absence as far in advance as possible; when advance notification is not possible, students are responsible for notifying each instructor as soon after the absence as possible.
5. As a temporary amendment to the current [University Attendance Policy](#), all absences due to illness or an isolation/quarantine directive issued by a qualified health official shall be considered “Authorized” absences (effective August 2020 through May 2021).

More up-to-date regulations may be found at the following link:

https://www.slu.edu/provost/faculty-affairs/teaching-resources-for-faculty/fall_21_faculty_guidance.php