

Public Economics – EBGN 443 – Section A

Instructor: Dr. Becky Lafrancois

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Office Hours: 8-9 AM and 3-4 PM Monday and Wednesday, 9-11 AM Tuesday, or by appointment*

*You may schedule appointments outside of office hours through email.

Class Meetings: Monday, Wednesday, and Friday, 10:00-10:50

Class Location: Marquez Hall 326

Course Web Pages: Canvas

Instructional Activity: 3 hours lecture **Semester Hours:** 3

Course Designation: Economics Elective and HSS Elective

Course Description

Public economics studies the role of the government in the economy. The government can be involved in the economy at the local, state, or federal level. The main focus of this course will be on the federal government in the United States. This course will explore why the government has a role in the economy, particularly in the context of market failures and externalities. Emphasis will be placed on the government's role as a spender (expenditures) and a revenue raiser (taxation). Some of the programs that will be studied in depth include Social Security, Unemployment Insurance, Welfare, Medicare, and Health Insurance. In addition to studying the programs provided by the federal government, strong emphasis will be placed on learning about the federal budget and the national debt. The national debt is a hot topic these days and the course will explore the history of the debt, advantages and disadvantages of holding debt, and potential solutions as the United States moves forward. **Pre-Requisite:** EBGN301

Required Materials

Textbook/ebook – *Public Finance* by Rosen and Gayer – McGraw Hill – The book is currently in the 10th edition. An older version should be okay, but will have out of date numbers.

Student Learning Outcomes

At the end of the course:

- Students will demonstrate a clear understanding of market efficiency, and market failure (what market failure means and from whose perspective have they failed).
- Students will demonstrate an understanding of the role of the government, the policy instruments used by governments, and how these instruments impact private incentives.
- Students will demonstrate an understanding of the public expenditures and taxation.
- Students will demonstrate an understanding of the role of debt financing and the evolution of the national debt

Topics Covered – additional detail in course calendar

1. The size and role of government
2. Equilibrium and efficiency
3. Theories of the public sector
4. Public Expenditure – Social Insurance and Income Maintenance
5. Public Expenditure – Public Goods
7. Theory of Taxation
11. Commodity taxation and income taxation
12. Deficit Finance and the National Debt

Graded Components

Exams – 25% of final grade

Two non-cumulative take-home exams consisting of applied problems and essay questions. **Collaboration on exams is prohibited. Anyone caught collaborating will fail the exam and be referred to the Office of Student Affairs. Any external sources used must be cited.**

Exam dates: TBD

Research Paper and Presentation – 45% of final grade

This is a writing-intensive class. The research paper will be a total of 15-20 pages on a public economics topic of your choice (with approval). A proposal for the research project is due on **Thursday, 9/11**. The paper will be completed in 3 sections focusing on different aspects of the topic. You will present your research in class at the end of the semester. More details are provided in a separate document.

National Debt Analysis – 20 % of final grade

Hamilton's Blessing Discussion and Summaries (10% of final grade) – Each student will help to lead a discussion on one of the chapters in *Hamilton's Blessing* and will turn in written chapter summaries. More details provided in a separate document.

Group Project (10% of final grade) – Each group will be responsible to evaluate the evolution of the national debt over a presidential term. Teams will prepare a multimedia presentation and a handout evaluating their findings. More details are provided in a separate document.

Class Participation, Homework, and other Assignments – 10% of Final Grade

Grading and Grading Procedures

Components:

- | | |
|------------------------------------|-----|
| 1. Exams | 25% |
| 2. Research Paper and Presentation | 45% |
| 3. National Debt Analysis | 20% |

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|--|------------|
| 4. Other (Class Participation, HW, etc.) | <u>10%</u> |
| | 100% |

Your grade in this class will be based on your overall percent average, using the following guidelines:

| | | | | | |
|------|---------|------|--------|------|-----------|
| A = | 93-100% | B- = | 80-82% | D+ = | 66-69% |
| A- = | 90-92% | C+ = | 77-79% | D = | 63-65% |
| B+ = | 87-89% | C = | 73-76% | D- = | 60-62% |
| B = | 83-86% | C- = | 70-72% | F = | below 60% |

These guidelines are subject to change, but if you score in the stated range you are guaranteed at least the corresponding grade.

Grades will be maintained and posted on Blackboard or Canvas.

Grievance Procedure: Anyone feeling that a dispute exists after the grading of any assignment or exam may submit a written grievance. The grievance should identify the item in dispute and arguments supporting the student's position. Grievances must be submitted in writing within two class periods following the return of the assignment or exam. I will return a written response within two class periods after receipt.

Course Attendance Policy

Please be familiar with the Attendance Policy for the Colorado School of Mines:

<http://inside.mines.edu/Student-Absences>

Lectures: Failure to attend and participate in in-class assignments and activities will count negatively toward your course score. I expect students to regularly attend and participate in class. If you miss a lecture, it is your responsibility to get any notes and assignments from that class. It is up to you to master the subject matter of the course and to demonstrate the ability to use the tools covered at an acceptable skill level. **I will offer make-up opportunities for in-class assignments only if you have an excused absence.**

Coursework Return Policy

Assignments – Assignments will be graded and returned within one week.

Exams - Exams will be graded within one week and will be available for review in class. Students will not be permitted to keep exams, however they will be available for review in the professor's office.

Students with Disabilities

Colorado School of Mines complies with all federal and state laws and regulations regarding discrimination, including the Americans with Disabilities Act of 1990. If you have a disability and need a reasonable accommodation for equal access to education or services at Colorado School of Mines, please contact the Disability Services Office at 1770 Elm St. – Wellness Center 209, by calling 303-273-3297, or emailing Katie Ludwin kludwin@mines.edu. If you have a disability that could affect your

performance in this class or that requires an accommodation under the Americans with Disabilities Act, please see me as soon as possible so that we can make appropriate arrangements.

- Disability Services Website: <http://disabilities.mines.edu/>

Policy on Academic Integrity/Misconduct

The Colorado School of Mines affirms the principle that all individuals associated with the Mines academic community have a responsibility for establishing, maintaining and fostering an understanding and appreciation for academic integrity. In broad terms, this implies protecting the environment of mutual trust within which scholarly exchange occurs, supporting the ability of the faculty to fairly and effectively evaluate every student's academic achievements, and giving credence to the university's educational mission, its scholarly objectives and the substance of the degrees it awards. The protection of academic integrity requires there to be clear and consistent standards, as well as confrontation and sanctions when individuals violate those standards. The Colorado School of Mines desires an environment free of any and all forms of academic misconduct and expects students to act with integrity at all times.

Academic misconduct is the intentional act of fraud, in which an individual seeks to claim credit for the work and efforts of another without authorization, or uses unauthorized materials or fabricated information in any academic exercise. Student Academic Misconduct arises when a student violates the principle of academic integrity. Such behavior erodes mutual trust, distorts the fair evaluation of academic achievements, violates the ethical code of behavior upon which education and scholarship rest, and undermines the credibility of the university. Because of the serious institutional and individual ramifications, student misconduct arising from violations of academic integrity is not tolerated at Mines. If a student is found to have engaged in such misconduct sanctions such as change of a grade, loss of institutional privileges, or academic suspension or dismissal may be imposed.

- The complete policy is [online](#).

Detailed Course Schedule*

| Week | Dates | Topics | Chapter | Research Paper Due Dates |
|--------------------------------|-----------|--|------------|---|
| 1 | 1/10-1/13 | Introduction, Overview of Government Finance | 1 | |
| 2 | 1/16-1/20 | MLK Holiday – No Class 1/16 Economic Review and Research in Public Economics | 2, 3 | |
| 3 | 1/23-1/27 | Public Expenditure: Externalities and Public Goods | 4, 5 | Proposal for Research Paper – due 1/27 |
| 4 | 1/30-2/3 | The Health Care Market | 9 | |
| 5 | 2/6-2/10 | Government and the Market for Health Care | 10 | |
| 6 | 2/13-2/17 | Social Security | 11 | |
| 7 | 2/20-2/24 | President’s Day – No Class 2/20 | | Research Paper Part 1 – due 2/24 |
| 8 | 2/27-3/3 | Income Distribution and Poverty | 12 | |
| 9 | 3/6-3/10 | Programs for the Poor | 13 | |
| 10 | 3/13-3/17 | Tax Theory | 14, 15, 16 | Research Paper Part 2 – due 3/17 |
| 11 | 3/20-3/24 | United States Tax System | 17, 19 | |
| Spring Break – No Class | | | | |
| 12 | 4/3-4/7 | Tax Reform | 21 | |
| 13 | 4/10-4/14 | Catch Up Week | | |
| 14 | 4/17-4/21 | E-days – No Class 4/21 Student Presentations of Research | | Research Paper Part 3 – due 4/19 |
| 15 | 4/24-4/28 | Student Presentations of Research | | |
| 16 | 5/1-5/3 | Student Presentations of Research | | |
| Final | | National Debt Presentations | | Final Research Paper Due |

* Course content subject to change. All changes will be announced in class and online. It is your responsibility to stay informed of changes.