

University of Texas at Dallas

Economics Program

ECON 4320: Public Sector Economics

GR 3.606
MW 2:30 – 3:45

Fall 2022

Instructor: Prof. Seth H. Giertz
Office hours: W 12:30 – 1:30 p.m. via MS Teams, or by appointment.
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Office hours: T 3:00 – 4:00 p.m., H 4:00 – 5:00 p.m. via MS Teams,
and in the ECON Lab (W 4:00 – 5:00 p.m.) or by appointment

Course Platform: MS Teams: [ECON 4320.001](#)
eLearning: <https://elearning.utdallas.edu/>

[EconLab](#) is for students who need help with undergraduate economics classes. Graduate economics students staff the lab and provide needed assistance. This semester, Econ Lab will be conducted through MS Teams.

Course Expectations

Course Platform: The primary course-management platform for the course is MS Teams.

Students should regularly monitor MS Teams. Teams includes notification options. Exam and homework grades will be posted to [eLearning](#). [eLearning](#) will be used for functions not available in Teams.

Students may access [MS Teams software through UTD](#).

Classroom Safety and COVID-19

UT Dallas bases its guidance on [CDC Updated Guidelines](#).

Students should notify the instructor if they have been exposed or tested positive for COVID-19. Recorded lectures or other accommodations will be made for students unable to attend class because of COVID-19.

Verifying COVID-19 Isolations or Quarantines

Students should self-report COVID-19 positive results or exposures (via <https://www.utdallas.edu/health/covid-19/>) so that university campus tracers can verify, record, and take necessary campus precautions. Students should not attend class until cleared by campus tracers. Please check the [Comets United](#) webpage for additional information.

Prerequisites

This is an advanced undergraduate course. Students should have previously completed a course in intermediate microeconomic theory.

Materials

Public Finance 10th edition, 2014, Harvey Rosen and Ted Gayer, McGraw-Hill, ISBN: 9781260125788

The ninth edition of Rosen and Gayer is very similar to the 10th edition. However, chapter and page numbering in earlier editions may be different in earlier editions. Also, assigned questions from the text will be from the 10th edition.

Government Failure: A Primer in Public Choice (2002), Gordon Tullock, Arthur Seldon, and Gordon L. Brady, Cato Institute.

Course Overview and Learning Objectives

This course applies concepts from basic microeconomic theory to assess government policies aimed at different areas of the economy. This includes economic justifications for government involvement in the economy, as well as an examination of the political process and the incentives facing those in government. In so doing, students analyze efficiency and equity implications from alternative spending and tax policies. While students should leave this class with deeper understanding of public economics, they should also acquire a greater appreciation of the richness of economics as a discipline. Students in this course can expect to:

1. Solve stylized economic problems and models relevant for market-driven behavior and public policy.
2. Learn standard approaches for defining and measuring economic efficiency (or welfare).
3. Learn concepts for assessing equity, including ideas on redistributive justice.
4. Improve their skills in applied microeconomics.

Some areas of public policy will not be covered in the course, such as macroeconomic policy and antitrust policy. These topics are generally covered in other economics field courses.

Course Policies

Communication

- In emails to the instructor, **please include “ECON 4320” in the subject line.** Students may also communicate with the instructor via MS Teams chat.
- MS Teams: Students should regularly monitor MS Teams and should a member of the course team. This will be the primary platform for class announcements.
- **MS Teams group chat: Questions that are not of a personal nature should be posted to the relevant MS Teams channel.** Questions of a personal nature (or not relevant to others in the class) should be sent only to the instructor.

Students are encouraged to respond to questions from fellow students. Answering questions helps the both the student asking the question and the student working on the

answer. In addition, since the conversation is open to the entire class, others can also learn from the exchange.

Grading

1. **Exams:** Four pre-final exams will be given (in addition to a final exam). The pre-final exams will account for **84 percent** of each student's overall grade – with each exam accounting for 21 percent.

Students taking ALL of the pre-final exams:

- Are not required to take the final exam.
- May take the comprehensive final exam, which will replace the lowest score from the first three exams.

2. **Problem Sets:** Assignments (and possibly quizzes) will account for **16 percent** of the student's grade.

* Grading may only be contested for one week following the return of the exam or assignment. Periods when the university is not holding classes (e.g., fall or spring break) will not count towards this week.

** Incompletes will only be given in extremely rare circumstances. In such cases, the student must have attended at least 70 percent of the class meetings and completed at least two of the in-class exams. Note, these requirements do not guarantee the option of an "Incomplete."

University Policies

For information on a host of UTD course policies, see <http://go.utdallas.edu/syllabus-policies>. Several, but not all, of these policies are addressed in more detail below.

Nondiscrimination

UTD's Nondiscrimination Policy states that, "The University of Texas at Dallas is committed to providing an educational, living and working environment that is welcoming, respectful and inclusive of all members of the university community. An environment that is free of discrimination and harassment allows members of the university community to excel in their academic and professional careers. To that end, to the extent provided by applicable federal and state law, the University prohibits unlawful discrimination against a person because of their race, color, religion, sex (including pregnancy), national origin, age, disability, genetic information, or veteran status. The University's commitment to equal opportunity extends its nondiscrimination protections to include sexual orientation, gender expression and gender identity.

"Retaliation against a person who files a claim of discrimination, participates in a discrimination investigation or proceeding, or otherwise opposes an unlawful employment practice is prohibited.

"A person who believes that they have been subjected to discrimination or harassment in violation of this policy and seeks to take action may use either the informal resolution process or the formal complaint process, or both. The informal resolution and formal complaint process described in this policy are not mutually exclusive and neither is required as a pre-condition for choosing the other; however, they cannot both be used at the same time."

For the full policy statement, see <https://policy.utdallas.edu/utdbp3090>.

AccessAbility Services

It is the policy and practice of The University of Texas at Dallas to make reasonable disability-related accommodations and/or services for students with documented disabilities. However, written notification from the [Office of Student AccessAbility](#) (OSA) is required. If you are eligible to receive disability-related accommodations and/or services and to ensure accommodations will be in place when the academic semester begins, students are encouraged to submit documentation four to six weeks in advance. Students who have questions about receiving accommodations, or those who have, or think they may have, a disability (mobility, sensory, health, psychological, learning, etc.) are invited to contact the Office of Student AccessAbility for a confidential discussion.

The Office of Student AccessAbility provides:

- Academic accommodations for eligible students with a documented permanent physical, mental or sensory disability
- Facilitation of non-academic and environmental accommodations and services
- Resources and referral information, and advocacy support as necessary and appropriate.

OSA is in the Student Services Building, suite 3.200. They can be reached by phone at 972-883-2098, or by email at studentaccess@utdallas.edu.

Academic Integrity

Students are expected to adhere to UTD's Student Code of Conduct:

Because the value of an academic degree depends on the absolute integrity and character of the student the university expects all students to maintain a high level of responsibility with respect to their behavior. As a member of the university community, it is imperative that a student maintain a high standard of individual responsibility and civility.

The dean may initiate disciplinary proceedings under Subchapter D against a student accused of a violation of the Code of Conduct upon complaint by a faculty member, a student or other source.

Academic dishonesty could result in disciplinary action from the university. Penalties could include receiving a grade of "F" for this course, expulsion or even the revocation of a degree. With respect to academic dishonesty, see Section 49.10 from the Student Code of Conduct (<http://policy.utdallas.edu/utdsp5003>), which includes:

- **Plagiarism:** The adoption or reproduction of ideas, words, statements, images or works of another person as one's own without proper acknowledgement.
- **Cheating:** Using or attempting to use unauthorized materials, information, or study aids in any academic exercise. Academic exercise includes all forms of work submitted for credit or hours.
- **Fabrication:** Falsification or creation of any information, data or citation in an academic exercise.
- **Collaboration and/or Collusion:** Seeking or providing aid to another student in completion of any assignment submitted for academic credit without permission from the faculty member.

For the full Student Code of Conduct, see <http://policy.utdallas.edu/utdsp5003>, noting the standards discussed in Section 49.10

ECON 4320 Course Calendar

Class	Topic/Reading
Mon, Aug 22	Background & Review: Appendix, pp 528-549 Introduction: ch1, pp 1-13 <i>Constitution of the United States</i> , Art. I, Sec. 8
Wed, Aug 24	David Wessel, <i>A Portrait of A Country Awash In 'Red Ink'</i> , Ch 1 excerpt
Mon, Aug 29	Normative Analysis: ch 3, pp 34-49
Wed, Aug 31	Public Goods: ch 4, pp 54-69
Mon, Sep 05	Labor Day, No Class
	Externalities: ch 5, pp 73-101
Wed, Sep 07	Coase handout (on the Coase Theorem and Coase's contention with the Pigouvian tradition)
Mon, Sep 12	cont.
Wed, Sep 14	Review
Mon, Sep 19	Exam 1 Political Economy & Public Choice: TSB, pp 3-12, ch 6, pp 108-129
Wed, Sep 21	Donald Marron, " The Feud over the 2009 Burlington Mayoral Election ," Sept 19, 2010. TSB, Logrolling, pp 29-40; Range Voting and Strategic Voting
Mon, Sep 26	TSB, The Cost of Rent Seeking, pp 43-5
Wed, Sep 28	Cost-Benefit Analysis: ch 8
Mon, Oct 03	Health Care: ch 9, pp 176-192
Wed, Oct 05	Health Care & Government: ch 10, pp 202-220
Mon, Oct 10	
Wed, Oct 12	Review
Mon, Oct 17	Exam 2
Wed, Oct 19	Social Security: ch 11, pp 222-241
Mon, Oct 24	Expenditure Programs for the Poor: ch 13, pp 270-292
Wed, Oct 26	Taxation & Income Distribution: ch 14, pp 296-306, 312-313
Mon, Oct 31	Taxation & Efficiency: ch 15, pp 324-338
Wed, Nov 02	Efficient & Equitable Taxation: ch 16, pp 347-352
Mon, Nov 07	Review
Wed, Nov 09	Exam 3
Mon, Nov 14	Personal Income Tax, ch 17, pp 374-405
Wed, Nov 16	
Mon, Nov 21	Fall Break
Wed, Nov 23	Fall Break
Mon, Nov 28	Fundamental Tax Reform, ch 21, pp 470-494
Wed, Nov 30	cont.
Mon, Dec 05	Review
Wed, Dec 07	Exam 4

Final Exam: TBD

This schedule may be amended or abridged. Date changes will be announced in class and/or on the course website. Readings are from Rosen & Gayer, 2014, unless otherwise noted. TSB refers to [Tullock, Seldon and Brady](#) (2002).