

ECON 5990-103: Public Economics

Course Description:

This course deals with government operations in two distinct areas. We firstly examine government expenditure programs. We examine such issues as: what goods should government provide and what goods will be left to the private sector to provide; which citizens should be the beneficiaries of government programs and why; how do we as a society decide which programs are worth supporting. The second portion of the class examines how government collects revenue. Taxes are used but so are fees and cooperative ventures between the public and private sector. We investigate the criteria that the government uses in determining how much each citizen or corporation should contribute through taxes.

Class Dates, Location and Hours:

Dates: December 1-3 & 8-10, 2017
Location: OCCE, Norman, Oklahoma. Classes are held at the Thurman White Forum Building of OCCE, 1704 Asp Avenue.
Hours: Friday 5:30-9:30 p.m.; Saturday 8:30 a.m.-4:30 p.m.; Sunday 1:00-5:00 p.m.
Last day to enroll or drop without penalty: November 2, 2017

Site Director:

Email: apnorman@ou.edu. Phone: 405-325-3333.

Professor Contact Information:

Course Professor: Gary A. Hoover, Ph.D.
Mailing Address: University of Oklahoma
Economics Department, 170 CCD1
Norman, OK 73019
Telephone Number: (405) 325-5857
Email Address: ghoover@ou.edu
Professor availability: The professor will be available via email to students before and after the class sessions. On-site office hours are half an hour before and after each class session, by appointment.

Textbook(s) and Instructional Materials:

Student materials are available at the OU Follett Bookstore located at 1185 Asp Avenue; Norman, OK, and can be ordered online, by phone, by email, or by fax. Ordering online at <http://www.bkstr.com/oklahomastore/home> is strongly recommended – students can track the status of their order within 48 hours. If an order has not been shipped within three days, students can contact the Follett textbook manager by phone (405) 325-3511, (800) 522-0772 (toll-free) or email 0831mgr@fhcg.follett.com. Phone orders (ask for the textbook manager and identify yourself as an Advanced Programs student) can be placed 8 a.m. to 6 p.m. Monday through Thursday; 8 a.m. to 5 p.m. on Friday; 10 a.m. to 4p.m. on Saturday (CST). Summer hours: 9 a.m. to 5 p.m. Monday through Friday (CST). Fax orders can be placed 24 hours a day at (405) 325-7770. Text prices are available online.

Rosen, H. & Gayer, T. (2010). *Public finance* (9th ed.). New York: McGraw-Hill. ISBN 9780073511351.
(The professor has approved the use of previous editions.)

Note: Follett is the Advanced Programs contractual textbook provider. Should text changes become necessary after publication of the course syllabus, Advanced Programs will facilitate text returns/refunds only for texts purchased through Follett.

Course Objectives:

Upon successful completion of this course students will be able to:

1. Construct and analyze models of allocation and market efficiency for public and private goods.
2. Understand the main sources of market failure and need for taxation to provide public goods.
3. Critically analyze different models used to justify income redistribution of income through taxation.
4. Become experts in the material we cover on sales taxes, income taxes, capital gains taxes, property taxes, and various other concepts in taxation.
5. Efficiently use the Edgeworth Box and externalities along with other models of public expenditures.
6. Complete a paper that documents the historical circumstances leading to the implementation of a particular policy outcome of the students' choice, including a description of the modern realization of that policy outcome, along with a discussion of how the policy influences economic. The paper will incorporate the various tools and concepts developed in the course.

Course Outline:

- Section I. Chapters 1 - 3: Developing the Tools of Public Economics
- Section II. Chapter 4 – 6, 8: Public Goods and Externalities
- Section III. Chapters 12, 13: Income Maintenance
- Section IV. Chapters 14 - 16: Framework for Taxation
- Section V. Chapters 17, 18: Tax Analysis

Assignments, Grading and Due Dates:

Readings:

Due to the short nature of the class meeting window, students are assumed to have obtained the textbook and completed at least a preliminary reading of the course material prior to the first class meeting. Assigned chapters should at least be reviewed to become familiar with the main topics and vocabulary so our limited time in class can be spent most effectively. **Any edition** of the textbook is acceptable to review. All references to chapters come from the 9th edition. I have laid out the subject matter of the chapters so you can identify which chapters apply if other versions of the textbook are used. If you have any questions at all – please email me with a note about the chapter titles from the edition you are using and I will let you know how your chapters fit within the course coverage.

1. Introduction & developing the tools of Public Economics (Section I, Chapters 1-3). Here we will introduce the tools, theories, and terminology of Public Economics & Taxation.
2. Public Goods and Externalities (Section 2, Chapters 4-6, 8). Pigouvian Taxes and the need to tax to raise funds for the provision of public goods will be the focus here. The theory of taxation begins with these two generally acknowledged forms of market failure.
3. Concepts in Income Maintenance (Section 3, Chapters 12, 13). Here we introduce the
4. idea of the Gini Coefficient, Lorenz Curves, Distribution and Redistribution of income.
5. A Framework for Taxation (Section 4, Chapters 14-16). Here we discuss optimal commodity taxation along with Excess Burden
6. Topics in Tax Analysis (Section 5, Chapters 17,18). The two most consistent sources the government uses to tax are income and wealth. We will cover the US income tax code in a decent level of detail, as well as introduce other topics relevant to the theory of taxation.

Exams:

The course will have 2 in-class exams, the second being the final exam. Each will be held in class and will last (at most) 90 minutes. The first exam will cover Sections I, II, and the first two Chapters in Section III. The second exam will cover the rest of section III, as well as sections IV, & V. Both will consist of multiple choice and short answer free response questions. Each exam will be worth 35% of the final grade for the course. Each exam will be curved using a system where the highest natural score is

raised to a 100 and all other exams have the same amount added. No additional curves will be given when calculating the final grades for the course.

Post Seminar written Paper:

For the remaining 30% of your grade, each student will complete a short paper to be written on policy of your choice. Each policy must be selected by no more than one student (on a first come basis). The first opportunity to select a tax policy will come at the first meeting. In a brief (7-10 pages, double-spaced, 12 point font) manner you will document your tax policy in a way that uses the tools and theories we cover in this class. The assignment will be discussed in detail during the in-class meetings. **The due date for the term paper is Monday, January 1st.** The paper can be emailed to me at ghoover@ou.edu.

Grading:

This is a letter-graded course: A, B, C, D, or F.

Notice: Failure to meet assignment due dates could result in a grade of I (Incomplete) and may adversely impact Tuition Assistance and/or Financial Aid.

POLICIES AND NOTICES

Attendance/Grade Policy

Attendance and participation in interaction, individual assignments, group exercises, simulations, role playing, etc. are valuable aspects of any course because much of the learning comes from discussions in class with other students. It is expected that you attend all classes and be on time except for excused emergencies.

Excused absences are given for professor mandated activities or legally required activities such as emergencies or military assignments. It is the policy of the University to excuse absences of students that result from religious observances and to provide without penalty for the rescheduling of examinations and additional required class work that may fall on religious holidays. Unavoidable personal emergencies, including (but not limited to) serious illness; delays in getting to class because of accidents, etc.; deaths and funerals, and hazardous road conditions will be excused.

If you are obtaining financial assistance (TA, STAP, FA, VA, Scholarship, etc.) to pay all or part of your tuition cost, you must follow your funding agency/institution's policy regarding "I" (Incomplete) grades unless the timeline is longer than what the University policy allows then you must adhere to the University policy. Students who receive Financial Aid must resolve/complete any "I" (Incomplete) grades by the end of the term or he/she may be placed on "financial aid probation." If the "I" grade is not resolved/completed by the end of the following term, the student's Financial Aid may be suspended making the student ineligible for further Financial Aid.

Students are responsible for meeting the guidelines of Tuition Assistance and Veterans Assistance. See the education counselor at your local education center for a complete description of your TA or VA requirements.

Academic Integrity and Student Conduct

Academic integrity means honesty and responsibility in scholarship. Academic assignments exist to help students learn; grades exist to show how fully this goal is attained. Therefore, all work and all grades should result from the student's own understanding and effort.

Academic misconduct is any act which improperly affects the evaluation of a student's academic performance or achievement. Misconduct occurs when the student either knows or reasonably should know that the act constitutes misconduct. Academic misconduct includes: cheating and using unauthorized materials on examinations and other assignments; improper collaboration, submitting the same assignment for different classes (self-plagiarism); fabrication, forgery, alteration of documents, lying, etc...in order to obtain an academic advantage; assisting others in academic misconduct; attempting to commit academic misconduct; destruction of property, hacking, etc...; intimidation and interference with integrity process; and plagiarism. All students should review the Student's Guide to Academic Integrity at http://integrity.ou.edu/students_guide.html

Students and faculty each have responsibility for maintaining an appropriate learning environment. All students should review policies regarding student conduct at <http://studentconduct.ou.edu/>

Accommodation Statement

The University of Oklahoma is committed to making its activities as accessible as possible. For accommodations on the basis of disability, please contact your local OU Site Director.

Adjustment for Pregnancy/Childbirth-Related Issues

Should you need modifications or adjustments to your course requirements because of documented pregnancy-related or childbirth-related issues, please contact me as soon as possible to discuss. Generally, modifications will be made where medically necessary and similar in scope to accommodations based on temporary disability. Please see <http://www.ou.edu/content/eoo/faqs/pregnancy-faqs.html>.

Title IX Resources

For any concerns regarding gender-based discrimination, sexual harassment, sexual misconduct, stalking, or intimate partner violence, the University offers a variety of resources, including advocates on-call 24/7, counseling services, mutual no-contact orders, scheduling adjustments, and disciplinary sanctions against the perpetrator. Please contact the Sexual Misconduct Office at smo@ou.edu or (405) 325-2215 (8-5), or the Sexual Assault Response Team at (405) 615 -0013 (24/7) to report an incident. To learn more about Title IX, please visit the Institutional Equity Office's website at <http://www.ou.edu/content/eoo.html>

Course Policies

Advanced Programs policy is to order books in paperback if available. Courses, dates, and professors are subject to change. Please check with your OU Site Director. Students should retain a copy of any assignments that are mailed to the professor for the course. Advanced Programs does not provide duplicating services or office supplies.

Any and all course materials, syllabus, lessons, lectures, etc. are the property of professor teaching the course and the Board of Regents of the University of Oklahoma and are protected under applicable copyright.

For more information about Advanced Programs, visit our website at: <http://www.goou.ou.edu/>

INSTRUCTOR VITA

Gary A. Hoover, Ph.D.

Education

Ph.D., Economics, Washington University in St. Louis, August 1998

Current Positions

University of Oklahoma, Department of Economics, Professor and Department Chair

Frequently Taught Advanced Programs Courses

ECON 5990 Public Economics

Major Areas of Teaching and Research Interest

- Policy Analysis of Income Distribution/Poverty,
- Public Finance,
- Ethics in Economics

Representative Publications and Presentations

- “A Note on Economic Freedom and Political Ideology,” with Ji Gu, Daniel Giedeman and Ryan Compton, *Applied Economics Letters*, forthcoming.
- “More on Plagiarism in the Social Sciences,” with Brandli Stitzel and William Clark, *Social Science Quarterly*, forthcoming.
- “More on the Black/White Income Gap and Economic Freedom,” with Daniel Giedeman and Ryan Compton, *Public Finance Review*, forthcoming.
- “An Experimental Study of the Impact of Social Comparison on Investment,” with Erik Kimbrough, *Social Science Quarterly*, Vol. 97(2) June 2016.
- “The Changing Nonlinear Relationship between Income and Terrorism” with Walter Enders and Todd Sandler, *Journal of Conflict Resolution*, Vol. 60(2) March 2016.
- “The Impact of Economic Freedom on the Black/White Income Gap” with Daniel Giedeman and Ryan Compton, *American Economic Review P&P*, Vol. 105(5) May 2015.
- “A Distributional Analysis of the Benefits of Economic Freedom” with Daniel Giedeman and Ryan Compton, *European Journal of Political Economy*, Vol. 33(1), March 2014.
- “Elected Versus Appointed County Commission Executives: Race, Political Favors and Support Facilities” with Sondra Collins, *Review of Black Political Economy*, Vol. 40(4), December 2013

Representative Honors and Awards Received

- August 2006 – December 2014, University of Alabama, *William White McDonald Family Distinguished Faculty Fellow*.
- January 2002 – August 2004, University of Alabama, *James I. Harrison Family Endowed Teaching Excellence Faculty Fellow*.

Major Professional Affiliations

- American Economic Association
- Southern Economic Association.