ECON 320 Economics of Public Finance  
Fall 2021  
Instructor: Dr. Anita Alves Pena

Contact:  
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Class Meetings:  
BHSCI 107, TR 11am-12:15pm

Regular Office Hours and Policy:  
TR, after class 12:30-1:30pm, and by appointment (office hours starting in Week 2)  
Please note that you should plan early for exams and/or assignments instead of requesting “emergency” appointments in the 24 hours or so before an exam when I may or may not be available.

In the uncommon circumstance that I have to cancel regular class and/or office hours, I will announce this the course website. In the (hopefully unlikely) circumstance that the university goes back online, we will move to Zoom and maintain the same class times/schedule.

Course Website:  
login at http://canvas.colostate.edu (will be up by Week 2)  
Make sure that your email is set to receive announcements from this system.

Textbook (required):  

Course Objectives/Intended Learning Outcomes:  
Public finance focuses on the role of government in economies. The aim of the course is to provide an understanding of economic rationales for government intervention in the economy, to analyze how individuals respond to government action such as expenditure programs and tax policy, and to develop tools for critical thought about and participation in current policy issues. Emphasis is placed on U.S. public expenditure (e.g., Social Security, health care, welfare programs) and taxation policy. Economic opportunity and equity, economic growth and efficiency, and tax and fiscal policy are relevant throughout.

Prerequisites:  
Prerequisites for this course are principles of microeconomics and of macroeconomics (ECON 202/AREC 202 and ECON 204), or the equivalent to these courses taken at a different university. The prerequisites for the course will be enforced. Public Finance does require mathematical tools such as solving systems of equations and graphing functions.
**Grading:**
Grading will be based on in-class participation (in-class exercises and discussions), problem sets (out-of-class exercises), closed notes/closed book exams (multiple choice and short answer), and bi-weekly applications of course concepts to current events/news. Final letter grading will follow the traditional system that does include plus and minus grades.

The distribution (with grading weights) is as follows:
- In-class exercises and discussion (10%)
- 3 scheduled problem sets (30%)
- 3 scheduled exams (2 midterms and a final) (45%)
- 5 course concepts to current events (15%) [Note that there are 7 opportunities on the syllabus to complete these. Your two lowest scores will be dropped in the final grading.]

The formula is a standard weighted average where each category is scaled by the total number of points available. If for example you receive 82, 90, and 78 on the three exams which are each out of 100 points, then take \((82+90+78)/300\) and multiply it by 0.45 to see the contribution of exams to your final score. The same goes for other categories. Adding these gets to the final score.

Note that you do not get credit for attendance alone but do get credit for the completion and accuracy of in-class exercises, which will be given on some but not all days. Also note that exams (which are taken as individuals) carry high weight as indicated above. There are no extra credit activities. Therefore, please do not ask me for extra credit at the end of the course. It is your responsibility to understand the grading scheme above from the beginning of the semester and to plan accordingly. This is a 300-level course, and the work level and grading is according to that standard.

Problem sets will be assigned at least one week before they are due. No credit will be given for late problem sets. Problems sets are due at the beginning of class on the assigned dates. It is your responsibility to deliver problem sets to me early if you will not be in class. Problem sets will not be accepted via email. Working in study groups is highly encouraged. However, problem sets must be written up and submitted individually. All pages of your problem set should be stapled, clipped, or otherwise attached together when submitted. I reserve the right to take off points for not following this direction. In general, we will not have time in class to review full problem sets in detail. However, answers will be made available when a graded assignment is returned so that you may review and compare your work.

**Contact Hours and Expectations for Work Outside of Instructional Time:**
This is a three-credit course. The federal credit hour definition requires two hours of outside work (reading, homework, and other class work) for each contact hour of instructional time. You should expect this level of intensity throughout the term.

**Policy on Attendance:**
You are expected to be present in class and are responsible for material covered whether or not that material is posted online. If you miss class, it is your responsibility to find out from your classmates what you missed. As per University policy, students are exempted from attending class for University sanctioned activities with appropriate official documentation.

**Other Expectations:**
That you will be respectful of me and your classmates and will take the course seriously. It is my intent that students from all diverse backgrounds and perspectives be well served by this course, that students’ learning needs be addressed both in and out of class, and that the diversity that students bring to this class be viewed as a resource, strength and benefit. Your suggestions are encouraged and appreciated.
Disruptive behavior is not tolerated and is grounds for being asked to leave. This includes the use of cell phones and reading newspapers and other unrelated material in class. Offensive or threatening treatment of an individual is especially not tolerated. Disruptive students will be referred to University officials. *In general, I will expect that you will be respectful of me and your classmates and that you will take the course seriously.*

**Other Course Policies:**
You are expected to submit your own work and use no unauthorized assistance when taking exams. Academic dishonesty is not tolerated, and I will take precautions to prevent it. This may include random seating for examinations, exam proctoring, and photocopying of exams before returning them to you. Cheating will result in a failing grade (a zero) for the exam. Make up exams will be given only for scheduled University functions, for strenuous circumstances such as serious illness, or for religious accommodation. Written documentation is required for all make up requests. Documentation should be submitted before the exam date unless this is absolutely impossible. Approval of make up requests is at my discretion.

**Reading List:**
(This schedule is subject to change and will be revised later in the semester if necessary.)

Week of August 23
Required reading:
   Gruber Chapter 1 Why Study Public Finance?

Week of August 30
Required reading:
   Gruber Chapter 4 Budget Analysis and Deficit Financing

Thursday, September 2: CURRENT EVENT 1 DUE AT START OF CLASS (Submit on Canvas but be ready to discuss in class)

Week of September 6
Required reading:
   Gruber Chapter 5 Externalities: Problems and Solutions

Week of September 13
Required reading:
   Gruber Chapter 7 Public Goods

Thursday, September 16: PROBLEM SET 1 DUE AT START OF CLASS

Week of September 20
Required reading:
   Gruber Chapter 9 Political Economy

Thursday, September 23: EXAM 1 IN CLASS

Week of September 27
Required reading:
   Gruber Chapter 10 State and Local Government Expenditures

Thursday, September 30: CURRENT EVENT 2 DUE AT START OF CLASS (Submit on Canvas but be ready to discuss in class)
Week of October 4
Required reading:
  Gruber Chapter 11 Education
Thursday, October 7: CURRENT EVENT 3 DUE AT START OF CLASS (Submit on Canvas but be ready to discuss in class)

Week of October 11
Required reading:
  Gruber Chapter 12 Social Insurance: The New Function of Government
  Gruber Chapter 13 Social Security
Thursday, October 14: CURRENT EVENT 4 DUE AT START OF CLASS (Submit on Canvas but be ready to discuss in class)

Week of October 18
Required reading:
  Gruber Chapter 15 Health Insurance I: Health Economics and Private Health Insurance
  Gruber Chapter 16 Health Insurance II: Medicare, Medicaid, and Health Care Reform
Thursday, October 21: PROBLEM SET 2 DUE AT START OF CLASS

Week of October 25
Required reading:
  Gruber Chapter 17 Income Distribution and Welfare Programs
Thursday, October 28: EXAM 2 IN CLASS

Week of November 1
Required reading:
  Gruber Chapter 18 Taxation: How It Works and What It Means
Thursday, November 4: CURRENT EVENT 5 DUE AT START OF CLASS (Submit on Canvas but be ready to discuss in class)

Week of November 8
Required reading:
  Gruber Chapter 19 The Equity Implications of Taxation: Tax Incidence
Thursday, November 11: CURRENT EVENT 6 DUE AT START OF CLASS (Submit on Canvas but be ready to discuss in class)

Week of November 15
Required reading:
  Gruber Chapter 20 Tax Inefficiencies and Their Implications for Optimal Taxation

Week of November 22: FALL RECESS

Week of November 29
Required reading:
  Gruber Chapter 25 Fundamental Tax Reform and Consumption Taxation
Thursday, December 2: CURRENT EVENT 7 DUE AT START OF CLASS (Submit on Canvas but be ready to discuss in class)

Week of December 6
Final thoughts and final review, no new readings this week
Thursday, December 9: PROBLEM SET 3 DUE AT START OF CLASS  

(continues on next page)
Week of December 1: FINAL EXAM WEEK
* FINAL EXAM Tuesday, December 14, 6:20-8:20pm*
Note that the university has scheduled regular final exams for this term and therefore you should plan to be present according to this (even though our slot seems to be at night).

All the Other Stuff:

Accommodations:
Students requesting special accommodations should contact Student Disability Center (SDC) at 970-491-6385. Accommodations will not be granted without pre-approval from SDC. If this applies to you, please make arrangements immediately. Virtual access accommodations are now also being handled by this office.

Department's Statement on Copyright:
Please do not share material from this course in online, print or other media. Course material is the property of the instructor who developed the course. Materials authored by third parties, which may be used in the course, are also subject to copyright protections. Posting course materials on external sites (commercial or not) violates both copyright law and the CSU Student Conduct Code. Students who share course content without the instructor's express permission, including with online sites that post materials to sell to other students, could face disciplinary or legal action.

Academic Integrity:
This course will adhere to the CSU Academic Integrity Policy as found on the Student Responsibilities page of the CSU General Catalog and in the Student Conduct Code. At a minimum, violations will result in a grading penalty in this course.

As per university policy, “Any student found responsible for having engaged in academic misconduct will be subject to academic penalty and/or University disciplinary action” (General Catalog, http://catalog.colostate.edu/general-catalog/policies/students-responsibilities/). As such, any academic dishonesty in this course may result in a grade of “F” for the course and may be reported to the Office of Conflict Resolution and Student Conduct Services. Please be aware that the General Catalog specifically identifies the following examples of academic dishonesty: cheating, plagiarism, unauthorized possession or disposition of academic materials, falsification, and facilitation of cases of academic dishonesty. Plagiarism is defined as follows: “Plagiarism – Plagiarism includes the copying of language, structure, images, ideas, or thoughts of another, and representing them as one’s own without proper acknowledgment and is related only to work submitted for credit; the failure to cite sources properly; sources must always be appropriately referenced, whether the source is printed, electronic or spoken. Examples include a submission of purchased research papers or homework as one’s own work; paraphrasing and/or quoting material without properly documenting the source” (General Catalog, http://catalog.colostate.edu/general-catalog/policies/students-responsibilities/).

Title IX:
CSU’s Discrimination, Harassment, Sexual Harassment, Sexual Misconduct, Domestic Violence, Dating Violence, Stalking, and Retaliation policy designates faculty and employees of the University as “Responsible Employees.” This designation is consistent with federal law and guidance, and requires faculty to report information regarding students who may have experienced any form of sexual harassment, sexual misconduct, relationship violence, stalking or retaliation. This includes information shared with faculty in person, electronic communications or in class assignments. As “Responsible Employees,” faculty may refer students to campus resources (see below), together with informing the Office of Support and Safety Assessment to help ensure student safety and welfare. Information regarding
sexual harassment, sexual misconduct, relationship violence, stalking and retaliation is treated with the greatest degree of confidentiality possible while also ensuring student and campus safety.

Any student who may be the victim of sexual harassment, sexual misconduct, relationship violence, stalking or retaliation is encouraged to report to CSU through one or more of the following resources:
- Emergency Response 911
- Deputy Title IX Coordinator/Office of Support and Safety Assessment (970) 491-1350
- Colorado State University Police Department (non-emergency) (970) 491-6425

For counseling support and assistance, please see the CSU Health Network, which includes a variety of counseling services that can be accessed at: http://www.health.colostate.edu/. And, the Sexual Assault Victim Assistance Team is a confidential student resource that does not have a reporting requirement and that can be of great help to students who have experienced sexual assault. The web address is http://www.wgac.colostate.edu/need-help-support.

COVID-19:
Important information for students: All students are expected and required to report any COVID-19 symptoms to the university immediately, as well as exposures or positive tests from a non-CSU testing location.

If you suspect you have symptoms, or if you know you have been exposed to a positive person or have tested positive for COVID, you are required to fill out the COVID Reporter (https://covid.colostate.edu/reporter/). If you know or believe you have been exposed, including living with someone known to be COVID positive, or are symptomatic, it is important for the health of yourself and others that you complete the online COVID Reporter. Do not ask your instructor to report for you. If you do not have internet access to fill out the online COVID-19 Reporter, please call (970) 491-4600.
You may also report concerns in your academic or living spaces regarding COVID exposures through the COVID Reporter. You will not be penalized in any way for reporting. When you complete the COVID Reporter for any reason, the CSU Public Health office is notified. Once notified, that office will contact you and, depending upon each situation, will conduct contact tracing, initiate any necessary public health requirements and notify you if you need to take any steps.

For the latest information about the University’s COVID resources and information, please visit the CSU COVID-19 site: https://covid.colostate.edu/.