PUBL 6312 Public Finance
Mondays, 5:30–8:30 PM, Room: TBA
University of Houston
Master of Public Administration Program
Fall 2015

Professor Ling Zhu
Email: lzh4@central.uh.edu
Office: PGH 436
Phone: 713-743-2649
Office Hours: Monday 1:30-5:00pm, or by appointment.

Teaching Assistant
Markie McBrayer
Email: markie.mcbrayer@gmail.com
Office: PGH 426
Office Hours: By appointment.

Course Description
This course provides an overview of the economic rationale for government decisions as applied in public administration. To accomplish this, this course introduces basic economics theory for government intervention in the market system, reveals methods of solving public problems and conflicts over public resource allocation, and reviews issues related to how government finances itself.

In the first part of the course, we will discuss foundations of public finance. In the second part of the course, we will use both positive and normative points of views to study the rationale of government size and decisions in resource allocation. The tools of public finance will be covered in the third part of the course. In the fourth part of the course, we will complete our examination of the multi-level government finance.

Overall, this course combines theory in the textbook and examples of application from the additional readings and current events. The primary emphasis is on using theoretical concepts and models to enhance students understanding of public finance and its application in the practice of public administration.

Learning Objectives
1. This course provides students with numerous microeconomics theories and concepts. Through the readings and lectures, students should become more familiar with major public finance theories, concepts, and approaches.

2. Students should gain a better understanding of the importance of public finance to the practice of public management and public policy analysis.
3. Students should gain critical thinking skills and be able to analyze government fiscal decisions and to evaluate the effects of these decisions based on criteria such as efficiency, equity, effectiveness, etc.

Required Readings
2. Additional readings listed for weekly topics. All additional readings can be accessed through the Blackboard Learn course webpage.

Course Requirements
1. Class attendance and active participation in class discussion.
2. Read the assigned readings prior to each class meeting.
3. Weekly discussion notes. Each student is required to submit one discussion note on each weeks readings. Discussion notes are due by Friday at noon (via the Blackboard Learn assignment drop-box) each week prior to the subsequent Monday when the class meets. All the discussion notes should be the most important questions or arguments that the student has identified based on the assigned readings. They will help to foster seminar discussion and will be shared at the beginning of each class meeting. DO NOT write more than 120 words in your discussion note.
4. Exams. There will be two take-home written exams, one in late September and one in early November. Students will have one week to finish each exam.
5. Research paper. In the final paper assignment, students are to analyze the cause or effect of a public finance policy using the theories and concepts learned in this course. Because we emphasize how public values and interests are realized in the practice of public administration, students are encouraged to link the analysis to their own organizations, or to choose a government agency that is most interesting to them. When composing their final paper, students should follow the Chicago Manual of Style, http://www.chicagomanualofstyle.org/home.html. Students should submit their final papers via Blackboard Learn(Turn-it-in submission link).
6. Mini-Conference. We will hold a mini-conference during our class meeting on Week 16 (December 7). Each student will have 15 minutes to present his or her research paper to the class and to draw feedback from the audience.

Attendance and Late Policy
1. Attendance. Absence from the class will only be accepted in extenuating circumstances with a university-accepted excuse. If you know in prior that you cannot attend the class, please inform the professor before the scheduled class-time. If there is an emergency, in which you need to leave early, you should avoid disturbing the lectures.
2. Exam Policy. Students are required to take and turn in exams at the scheduled time. During the exam period, students ARE NOT allowed to discuss exam questions with others. Students are allowed to email the professor if they need any clarification of the exam questions. The professor will share the answer to each clarification question with the entire class.
3. Late Policy. Late work will be penalized by one letter grade. E.g. an A-paper turned in one day late will become a B-paper. Late work would only be accepted without grade-penalty if you have university-accepted excuses.

**Grading**

1. Participation and weekly discussion notes, 15%
2. Take-home exam 1, 25%
3. Take-home exam 2, 25%
4. Final paper, 25%
5. Mini-Conference Presentation, 10%
6. Final Grades
   - A = 100-95 (Excellent)
   - A- = 94-90
   - B+ = 89-87 (Good)
   - B = 86-84
   - B- = 83-80 (Fair)
   - C+ = 79-77
   - C = 76-74 (Poor)
   - C- = 73-70
   - D+ = 69-67
   - D = 66-64
   - D- = 63-60
   - F = 59-0 (Failing)

**Academic Integrity**

As commonly defined, presenting the words or works of others’ as your own is plagiarism. Plagiarism is one of the worst academic sins, for the plagiarist destroys the trust among colleagues, without which research cannot be safely communicated. Plagiarism is also a violation of the UH Academic Honesty Policy. If you are uncertain of what constitute academic dishonesty, you should contact me prior to submitting the assignment and/or check the UH Academic Honesty Policy from the university website: www.uh.edu/provost/policies/uhhonestypolicy.html. Students are expected to adhere to the UH Academic Honesty Policy. Cheating or plagiarism in course assignments, exams, and the final paper will lead to a grade of F.

**Americans with Disability Act (ADA)**

The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you need special accommodations and assistance due to a disability, please contact the Center for Students with
DisABILITIES (CSD Building 568, Room 110) and the Learning Support Services (LSS, 321 Social Work Building), or call 713-743-5411 to make appropriate arrangements.

Course Calendar

PART I. FOUNDATIONS OF PUBLIC FINANCE

Week 1 (August 24): Course Overview

Week 2 (August 31): Public Problems, Public Values, and Government Size

Topics and Readings
- Reminder: Your first discussion note is due on August 28 (noon). Please write your discussion note based on the above-listed readings for Week 2.

PART II. ECONOMICS AND GOVERNMENT EFFECTIVENESS

Week 3 (September 7): Labor Day Holiday

Week 4 (September 14): Public Sector Economics

Topics and Readings

Week 5 (September 21): Market Failure and Corrections

Topics and Readings
Week 6 (September 28): Government Institutions and Governance

**Topics and Readings**

- EXAM 1. Exam questions will be distributed on September 25 and due on Oct. 5 (noon), on Blackboard.

**PART III. TOOLS OF PUBLIC FINANCE**

Week 7 (October 5) Taxation

**Topics and Readings**

- Types of taxation: Hillman 2009, Chapter 4.
- Choice of taxation:

Week 8 (October 12) Social Insurance

**Topics and Readings**


Week 9 (October 19) Entitlements

*Topics and Readings*

• The attributes and consequences of entitlements: Hillman 2009, Chapter 8.


• Income-redistribution:

Week 10 (October 26) Government Spending and Deficit

*Topics and Readings*


• Citizen preferences over public finance:

Week 11 (November 2) Regulations and Fiscal Rules

*Topics and Readings*

• Regulatory capture:


PART IV. FEDERALISM AND MULTI-LEVEL GOVERNMENT FINANCE

Week 12 (November 9) Fiscal Federalism and Decentralization

Topics and Readings


Week 13 (November 16) Public-Private Partnership and Public Finance

Topics and Readings

- New Public Management:
- Privatization and public-private partnership:


Week 14 (November 23) Local Government and Public Finance

Topics and Readings


- Special purpose governments:

Week 15 (November 30) Exam 2. Exam questions will be distributed on November 23 and due on December 5 (noon), on Blackboard.

Week 16 (December 7) Wrap-up and Mini Conference

Week 17 (December 14) Research paper due at noon, on Blackboard.

Caveat: The aforementioned weekly schedule and assignments in this course may be subject to change.