

Econ 450 - Public Expenditure

Winter 2015

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Office Hours: M 3-5pm and F 10-11am

Textbook

Public Finance (10th Edition) by Rosen and Gayer.

Course Objectives

The purpose of this course is to provide an introduction to the theory and practice of the economic functions of government from both normative and positive points of view. In this course we focus on the expenditure side of government, with a major emphasis on the programs of the US Federal government. Topics include market failure, rationale for government economic activity, public goods, externalities, collective public decision making, income redistribution, state and local public finance, and some specific expenditure programs in the US. We will rely on applied microeconomics in this course. PBAF 516 (Microeconomic Policy Analysis) and ECON 300 (Intermediate Microeconomics) are appropriate preparation courses.

Exams and Grades

Problems are an essential tool to learning microeconomics and therefore I will distribute four problems sets throughout the term. They will be due on Thursdays/. You are encouraged to work together on them, but each of you must turn in your own answers in your own words. These will account for 30% of your grade.

There will be a midterm and final exam. Each exam, including the final, accounts for 35% of your grade. Tests are closed book. However, you will be allowed to bring one page of notes (front and back) as a reference. Condensing your notes into this two-page study guide is a good way to prepare for the exams.

Grade Scheme

A tentative grade scheme is presented here; the percentages in the left hand column are not certain, and may be adjusted, but only in the downward direction, i.e. a score of 90 will certainly be at least at A-, and may be better.

Percentage	Letter Grade Equivalent	Numeric Grade-Point
94-100	A	3.9-4.0
90-93	A-	3.5-3.8
87-89	B+	3.2-3.4
84-86	B	2.9 -3.1
80-83	B-	2.5-2.8
77-79	C+	2.2-2.4
74-76	C	1.9-2.1
70-73	C-	1.5-1.8
67-69	D+	1.2-1.4
64-66	D	0.9-1.1
60-63	D-	0.7-0.8
Below 60	F	0.0-0.6

Student Athletes

If you are a student athlete, inform me a.s.a.p. of interferences with your commitments as an athlete (especially conflicts with exam dates). You will be expected to bring in a letter from the athletics department. The sooner you notify me, the better that I will be able to accommodate you.

Academic Accommodations

The University of Washington is committed to providing access and reasonable accommodation in its services, programs, activities, education and employment for individuals with disabilities. For information or to request disability accommodation contact: Disability Resources for Students (Seattle campus, matriculated students) at (206) 543-8924/V, (206) 543-8925/TTY, (206) 616-8379 (FAX), or e-mail at uwdss@uw.edu

Academic Integrity

The student conduct code of the University of Washington requires students to practice "high standards of academic and professional honesty and integrity." In addition, the academic standards of the College of Arts and Sciences specify that students may be dismissed for academic cheating, lying, or plagiarism. You can receive a failing grade for writing a plagiarized paper. Or, you may receive an incomplete until the case is brought before the College Disciplinary Committee. For more information, see the Statement of Academic Responsibility in the UW Bachelor's Degree Handbook. Please also talk to your teachers about any reading, researching, or writing difficulties you may have in this course. If you are unsure whether a specific use of material constitutes plagiarism, ask!

Class Conduct

Class atmosphere will be quite relaxed; I encourage you to interrupt me with questions about the material. Just a few guidelines:

- Arriving a few minutes late is tolerated as long as you make an effort to minimize the disturbance for other students.
- Eating and drinking in class should be reduced to a minimum. It is not forbidden, but please make sure that you are not disturbing others with noise and enticing aromas.
- Turn off or silence all cell phones or don't even bring them. Certainly texting and the like are not allowed.

- If you cannot make it to class for whatever reason, make sure that you know what happened during the lecture that you missed. It is your responsibility, and nobody else's, to do so!
- If you have to leave a class early, inform me in advance. It is rude to simply walk out in the middle of a lecture.
- If you make an appointment with me, keep it, or at least notify me a.s.a.p. that you cannot make it.

Class Schedule

Day	Reading	Topic	Assignment
6-Jan	RG 1, 2, 3, Micro Appendix	Introduction	Watch Chetty's Testimony
8-Jan	RG 4	Public Goods	
13-Jan	RG 4	Public Goods	
15-Jan	RG 5	Externalities	
20-Jan	RG 5	Externalities	
22-Jan	RG 6	Political Economy	HW 1 Due
27-Jan	RG 6 and 22	Political Economy, Federal Structure	
29-Jan	RG 22	Federal Structure	
3-Feb	RG 8	Cost Benefit Analysis	
5-Feb	RG 8	Cost Benefit Analysis	HW 2 Due
10-Feb	RG 7		Midterm
12-Feb	RG	Education	
17-Feb	RG 7	Education	
19-Feb	RG 9	Health Care	
24-Feb	RG 10	Health Care	HW 3
26-Feb	RG 10	Health Care	
3-Mar	RG 11	Social Security	
5-Mar	RG 11	Social Security	
10-Mar	RG 12	Income Redistribution	
12-Mar	RG 13	Transfer Programs	HW 4
20-Mar			Final