

University of Oregon
Department of Planning, Public Policy and Management
PPPM 628: Public Sector Economics
4 credit hours (CRN 15195) -- Fall 2019

Instructor: Laura Leete
Office: 156 Hendricks
Phone: (541) 346-0834
Email: leete@uoregon.edu

Class times: Tuesday/Thursday 12-1:20
Class location: 151 Straub
Office Hours: Tuesday/Thursday 3:45-5 and
by appointment

This course is an introduction to basic economic concepts and theory, and how these apply to analysis of the public sector. Government involvement is a common element in the economies of most countries including the United States. We consume a wide array of goods and services provided by the government sector. Examples include sidewalks, streets, public transit, education, police and fire protection, national defense and the administration of a legal system. In addition, the government sector regulates much of the activity in the private sector. These public policies are undertaken to improve economic efficiency (i.e. correct the failures of the private market) or to alter the distribution of economic well-being (improve equity). The goal of this course is to use economic tools to understand how the public sector interacts with the private economy to improve economic efficiency. This course is a core course in the Masters of Public Administration curriculum and **serves as a prerequisite for Public Policy Analysis (PPPM 636, Winter 2020).**

Class Format and Participation

The format of this class will be a combination of lecture and discussion. Students will be expected to come to class having completed the assigned reading for each class session and be fully prepared to ask questions, discuss and learn from one another. While almost everyone has their own personal views and opinions regarding public policy issues, this course is about the application of economic analysis and the interpretation of empirical evidence as it relates to public policy. Thus, our classroom discussions will be focused on analysis and empirical evidence rather than personal opinions.

Course Website

The course website is located on the University of Oregon's Canvas system: <https://canvas.uoregon.edu/>. Your university email login and password will give you access to the Canvas system where the syllabus and other materials related to the class will be posted. Please check the course website frequently for updates and make sure the University registrar has your correct email address. The Canvas site is the primary means that the instructor will use to communicate with the class.

Required Reading

There are two required textbooks for this class. Both books are available at UO Duckstore (<http://www.uoduckstore.com/>) or from various online retailers:

- Krugman, Paul and Robin Wells, *Microeconomics*, 3rd Edition, Worth Publishers, New York, NY, 2012. **Be sure to get the 3rd edition of the Krugman and Wells textbook.** Search on-line for used copies using this ISBN: 978-1429283427.
- Gruber, Jonathan. *Public Finance and Public Policy*, 4th Edition, Worth Publishing, New York, NY, 2012. **Be sure to get the 4th edition of the Gruber textbook.** Search on-line for used copies using this ISBN: 978-1429278454.
- **Both required books will be used again for PPPM 636 Public Policy Analysis (Winter 2020).**

In addition to the required texts, there is a study guide available for purchase (highly recommended, but not required) that accompanies the Krugman/Wells textbook. Students often ask for sources of more practice problems in this class and these are provided in this study guide:

- Kelly, Elizabeth Sawyer. Study Guide ('for use with Krugman/Wells-Microeconomics 3rd Edition'), Worth Publishers, 3rd Revised edition, 2012. ISBN: 978-1464104237. (Note this book is sometimes listed online with Krugman as the author.)

Additional items may be added to the required reading. These will be available on the course Canvas site.

Math Review

It is expected that students are comfortable with high school level algebra. The following (optional) book might be helpful for students seeking a review of those skills:

- *Schaum's Outline of Elementary Algebra* (3rd Edition) (Paperback) by Barnett Rich (Author), Philip Schmidt (Author). Schaum's Outline Series, McGraw-Hill, New York, ISBN 0-07-141083-X.

Students should review chapters 1, 2, 3, 7, 8, 9 and Appendix A.

Economics and Public Policy

Students are expected to become familiar with and stay current on public policy issues in the news, especially the economic analysis of public policy issues. This blog (by UO's Mark Thoma) is a good centralized source for this kind of thing: (<https://economistsview.typepad.com/>), as is the NY Times Upshot section (<https://www.nytimes.com/section/upshot>).

Assignments and Course Grades

The course grade will be based on the following components:

Reading quizzes	15%
Policy Memo (group project)	15%
Midterm Exam	35%
Final Exam	35%

Calculation of Course Grades

Reading quizzes. There will be 7 reading quizzes scored on a percentage basis (0 to 100). The two lowest quiz scores will be dropped. The average of the remaining 5 quiz scores will count toward 15% of the course grade.

Group Policy Memos. The policy memos will be a group assignment and will be graded on a 100 point scale and will count toward 25% of the course grade.

Exams. The midterm and final exams scores will be standardized so the class mean is 80 and the standard deviation is 12. The standardized midterm and final exams scores will each count toward 35% of your course grade. The calculation of standardized exam scores from raw scores is a four step procedure:

- First, calculate the deviation from the class mean by subtracting class mean from each individual "raw" score.
- Second, divide the result by the standard deviation of all individual raw scores in the class.
- Next, multiply the result by 12.
- Finally, add 80 to obtain the standardized exam score.

The letter grade for the course will be assigned on the basis of the weighted average of the quiz scores, the standardized exam scores, and the policy memo score as follows:

≥ 94%	A
≥ 90% and < 94%	A-
≥ 85% and < 90%	B+
≥ 80% and < 85%	B
≥ 75% and < 80%	B-
≥ 70% and < 75%	C+
≥ 65% and < 70%	C
≥ 50% and < 65%	C-
≥ 40% and < 50%	D
< 40%	F

Exams

The Midterm Exam is scheduled for **Thursday, October 31st (Week 5)** during our regularly scheduled class session.

The Final Exam will be comprehensive and is scheduled for 8-10 AM on Tuesday, December 10th. The University of Oregon does not permit early final exams under any circumstances. The following text is from the University Registrar's web site (<https://registrar.uoregon.edu/calendars/examinations>):

Early Examinations

Final examinations must be given during the scheduled final examination period. Faculty legislation prohibits the early administration of final examinations. Final examination week is considered to be a part of the regular term, and to end the term prior to its scheduled date reduces instructional days to which students are entitled.

Students who miss an exam will receive a grade of zero for that exam unless there is a legitimate reason for missing the exam (e.g. serious illness or family emergency). This must be arranged prior to the scheduled exam time. **Students must take the final exam to receive a passing grade in the course.**

Practice Problems

A number of practice 'problem sets' will be posted on Canvas, along with written answers. It is recommended that students complete these over the course of the term as a study tool. However, problem sets will not be collected or graded.

Reading Quizzes

Beginning the 2nd week of classes (**Tuesday, October 8th**), all students must complete a short multiple choice quiz (approximately 20 questions) on the assigned readings once per week during most weeks, for a total of 7 quizzes. Each quiz will be scored on a percentage basis and your best 5 percentage scores will be counted towards your final course grade. These quizzes will be administered via Canvas and must be completed prior to the beginning of the Tuesday class session of the assigned weeks (see schedule below). Students are expected to answer quiz questions on their own. See the policy below on academic honesty.

Note that there is a 'Quiz 0' on the schedule below that is a practice quiz for testing out the software. Quiz 0 shows up at the bottom of the Canvas 'Quizzes'. Quiz 0 does not count as part of the course grade. However, the material covered on Quiz 0 is part of the course and will be covered on the midterm and final exams. When you take Quiz 0, please let me know if there are any problems using the quiz software.

Economic Analysis Paper

This assignment requires students to apply basic tools of economic analysis to a real world policy issue and students will work in small assigned groups (4-6 students). This assignment will

include writing a short economic analysis paper and making a class presentation on your analysis. **Class presentations will be on Tuesday, December 3rd (Week 10).** It is expected you will attend class that day. The final memo will be **due by 5 p.m. on Friday, December 6th.**

Professional Practice

This course is a core course in the MPA professional degree program. As such, students are expected to behave in a professional manner at all times and to treat each other and the instructor with the professional courtesy and respect expected in a workplace. Similarly, all communications relating to this course and all work turned in for this course should reflect professional standards with attention to presentation, formatting, spelling and so on.

Office Hours

Feel free to drop by during my office hours with questions. Office hours are on a *first come, first served* basis. I am also happy to make an appointment to meet you outside of my office hours.

Email

Email or messaging on Canvas are the most reliable way to reach me outside of class and office hours. Please review the course syllabus, class slides, course reading materials and your own class notes before sending me an email with a question. Often the answer to your question can be found in existing course materials.

Incomplete Policy

Students are expected to turn in all materials at the designated time. In accordance with university regulations, a grade of 'Incomplete' will only be given when "the quality of work is satisfactory but a minor yet essential requirement of the course has not been completed for reasons acceptable to the instructor." My interpretation of "minor" is less than or equal to 30%.

Accessibility

Students who have a documented accessibility/disability issue and anticipate needing accommodations in this course should make arrangements to see the instructor as soon as possible. They should also request that their Access Advisor or the Accessible Education Center verify their request.

Academic Misconduct

You are expected at all times to do your own work. Copying content from other students (past or present) and submitting it as your own work is grounds for failing the class. The University Student Conduct Code (available at <https://conduct.uoregon.edu>) defines academic misconduct. Students are prohibited from committing or attempting to commit any act that constitutes academic misconduct. By way of example, students should not give or receive (or attempt to give or receive) unauthorized help on assignments or examinations without express permission from the instructor. All work (including exams and quizzes) submitted should reflect the efforts of the submitting student alone. The penalty for academic misconduct can range

from 0 points on an assignment or quiz to an 'F' in the class, depending on the severity of the offense. Group assignments are exempt from this policy.

Plagiarism

Students should properly acknowledge and document all sources of information (e.g. quotations, paraphrases, ideas) and use only the sources and resources authorized by the instructor. If there is any question about whether an act constitutes academic misconduct, it is the students' obligation to clarify the question with the instructor before committing or attempting to commit the act. Additional information about a common form of academic misconduct, plagiarism, is available at: <https://researchguides.uoregon.edu/citing-plagiarism>

Missed Class Policy

If you miss a class, please arrange to get class notes from a classmate. Class PowerPoint slides will be posted on Canvas. You do not need to notify me if you need to miss class.

Course Workload

A general rule of thumb for the expected workload for a graduate level class is approximately 3-4 hours per week per credit hour. Thus, a 4-credit course will require approximately 12-16 hours of effort per week. Our class meets for 3 hours each week, so students should expect to spend an additional 9 to 13 hours per week studying for this course.

Week	Date	Reading Quiz	Quiz Coverage	Topics	Readings	
					Krugman & Wells (KW)	Gruber (G)
1	Oct 1			Course Overview and Introduction. Basic Economic Concepts. Introduction to Demand.	Intro, Chapter 1, 2 (inc. appendix), Chapter 3 (pp. 65-75)	Chapter 1
	Oct 3	Quiz 0	KW: 1-2	Introduction to Supply	Chapters 3	
2	Oct 8	Quiz 1	KW: 3-4	Consumer and Producer Surplus	Chapter 4	
	Oct 10	Quiz 2	KW: 5-6	Price Ceilings and Floors, Elasticity	Chapters 5, 6	
3	Oct 15	Quiz 3	KW: 9-10	Consumer Theory	Chapters 9, 10	
	Oct 17			Consumer Theory (cont'd)		
4	Oct 22	Quiz 4	KW: 11-12	Production, Costs and Supply Curves	Chapter 11	
	Oct 24			Production, Costs and Supply Curves (cont'd)		
5	Oct 29			Competitive Market Equilibrium	Chapter 12	
	Oct 31			**Midterm Exam**		

Week	Date	Reading Quiz	Quiz Coverage	Topics	Readings	
					Krugman & Wells (KW)	Gruber (G)
6	Nov 5	Quiz 5	KW: 13-15	Monopoly	Chapter 13	
	Nov 7			No Class – Group Paper Work Meetings		
7	Nov 12			Oligopoly and Monopolistic Competition	Chapters 14, 15	
	Nov 14	Quiz 6	KW: 16 G: 5, 6	Externalities	Chapter 16	Chapters 5, 6
8	Nov 19			Advanced Externalities: Applications to Environmental Policy		
	Nov 21	Quiz 7	KW: 19 (including Appendix) G: 2	Factor Markets and the Distribution of Income	Chapter 19 (including Appendix)	
9	Nov 26			Economic Analysis of TANF, Food Stamps		Chapter 2
	Nov 28			No Class – Thanksgiving Holiday		
10	Dec 3			**Paper Presentations**		
	Dec 5			Catch Up and Review for Final Exam		
11				**Final Exam** 8 – 10 a.m. Tuesday, December 10th		