

## PPOL 615- Public Finances Course Outline

This course deals with the economics of the public sector. The role of government in the economy is analyzed in terms of the sources of market failure—the factors that prevent the private sector from generating an efficiency and fair allocation of resources within the society. The major areas of public expenditures are examined within this framework. Tax policies that promote a fair distribution of the tax burden and an efficient allocation of resources are reviewed. The policy issues concerning the major sources of tax revenues are discussed and the fiscal issues that arise with multi-level governments are examined.

<b>Course:</b>	PPOL 615 Public Finances	<b>Term:</b>	Winter 2017
<b>Time:</b>	Monday 17:00- 20:00	<b>Section:</b>	01
<b>Instructor:</b>	Dr. Bev Dahlby	<b>Place:</b>	Nexen Technology and Conference Center, DTC (Downtown Campus: 5 <sup>th</sup> Floor, 906-8 <sup>th</sup> Avenue SW)
<b>Office:</b>	5 <sup>th</sup> floor of DTC	<b>Telephone:</b>	403-220-7765
<b>Office Hours:</b>	Wednesdays, 3:30-4:30 pm.	<b>E-mail:</b>	<a href="mailto:bgdahlby@ucalgary.ca">bgdahlby@ucalgary.ca</a>

### Required Textbook(s):

H. Rosen, J-F. Wen and T. Snoddon, *Public Finance in Canada*, 4<sup>th</sup> Edition, McGraw-Hill Ryerson, 2012.

### Desire2Learn:

Desire2Learn, a web-based course management tool, will be used in this course. Students registered in this course can log in at: <https://d2l.ucalgary.ca/>. Note that D2L features a class e-mail list that will be used. I will use this email list to communicate with you as required. It is your responsibility to ensure that D2L uses the e-mail address of your choice.

**Course Outline**  
**(Additional Reading Will Be Added During the Term)**

**January 9: An Overview of the Economic Role of Government and Budgeting**

- Rosen et al., Chapters 1
- B. Dahlby and M. Smart “The Structure and Presentation of Provincial Budgets” SPP Research paper, Volume 8 • Issue 25 • May 2015  
<http://policyschool.ucalgary.ca/?q=content/structure-and-presentation-provincial-budgets>
- Alberta Budget 2016 <http://finance.alberta.ca/publications/budget/budget2016/index.html>

**January 16: Market Failure: Public Goods, Externalities, and Asymmetric Information**

- Rosen et al., Chapters 2, 3, 4, and 5

**January 23: Tax Policy - Efficiency and Incidence**

- Rosen et al., Chapters 14, 15, and 16.
- B. Dahlby and E. Ferde, “What Does It Cost Society to Raise a Dollar of Tax Revenue?” C. D. Howe Institute Commentary No. 324, 2011.  
[http://cdhowe.org/pdf/Commentary\\_324.pdf](http://cdhowe.org/pdf/Commentary_324.pdf)

**January 30: Income Inequality and Redistribution Programs**

- Rosen et al., Chapters 6 and 12
- M. Sheikh “Report of the Commission for the Review of Social Assistance in Ontario: Taking Stock Two Years Later” SPP Research Paper, Vol 8, Issue 8, March 2015.  
<http://policyschool.ucalgary.ca/sites/default/files/research/ontario-committee-review-sheikh.pdf>

**February 6: Fiscal Federalism**

- Rosen et al., Chapter 8
- B. Dahlby et al. “Four New Studies of the Canadian Equalization System” SPP Research Paper, Vol. 6 Issue 6, September 2014; <http://policyschool.ucalgary.ca/?q=content/four-studies-canadian-equalization-system>.
- B. Dahlby and E. Jackson. “Striking The Right Balance: Federal Infrastructure Transfer Programs, 2002–2015” SPP Research Paper, Volume 8 • Issue 36 • November 2015  
<http://policyschool.ucalgary.ca/?q=content/striking-right-balance-federal-infrastructure-transfer-programs-2002%E2%80%932015>
- J. Feehan, “Canada’s Equalization Formula: Peering Inside the Black Box...And Beyond” SPP Research Paper Vol. 7 Issue 24, September 2014.  
<http://policyschool.ucalgary.ca/?q=content/canadas-equalization-formula-peering-inside-black-box-and-beyond>

## **February 13: Reading Week No Lecture**

## **February 20: The Retirement Income System**

- Rosen et al., Chapter 11
- OECD, *Pensions at a Glance 2015*, <http://www.oecd-ilibrary.org.ezproxy.lib.ucalgary.ca/docserver/download/8115201e.pdf?expires=1450117952&id=id&acname=guest&checksum=2C00E475B0CB80CFA4A6D7AE855DDE6E>

## **February 27: Unemployment Insurance and Education**

- Rosen et al., Chapters 10 and 13
- Mowat Centre for Policy Innovation “Making It Work: Final Recommendations of the Mowat Centre Employment Insurance Task Force” 2011.  
<http://www.mowateitaskforce.ca/sites/default/files/MakingItWork-online.pdf>

## **March 6: Personal Income and Consumption Taxation**

- Rosen et al., Chapters 17, 18, and 19
- A Laurin, “Shifting the Federal Tax Burden to the One-Percenters: A Losing Proposition” CD Howe Institute E-Brief, December 2015.  
[https://www.cdhowe.org/sites/default/files/attachments/research\\_papers/mixed/e-brief\\_222\\_0.pdf](https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/e-brief_222_0.pdf)
- P. Bazel and J. Mintz, “Enhancing The Alberta Tax Advantage With A Harmonized Sales Tax” SPP Research Papers, Volume 6•Issue 29•September 2013  
<http://policyschool.ucalgary.ca/sites/default/files/research/alberta-hst-final.pdf>

## **March 13: Corporate and Resource Taxation**

- Rosen et al, Chapters 20 and 21.
- D. Chen and J. Mintz, “The 2014 Global Tax Competitiveness Report: A Proposed Business Tax Reform Agenda” *SPP Research Papers*, Vol. 8, Issue 4, School of Public Policy, University of Calgary, Feb 2015.  
<http://policyschool.ucalgary.ca/?q=content/2014-global-tax-competitiveness-report-proposed-business-tax-reform-agenda>
- Alberta Royalty Review Panel Report <http://www.albertaroyaltyreview.ca/>

### **March 20: Financing Local Government**

- M. McMillan and B. Dahlby “Do Municipal Governments Need More Tax Powers? A Background Paper on Municipal Finance in Alberta” SPP Research Paper Vol. 7 Issue 30, November 2014. <http://policyschool.ucalgary.ca/?q=content/do-municipal-governments-need-more-tax-powers-background-paper-municipal-finance-alberta>
- McMillan, M. and B. Dahlby “Do Local Governments Need Alternate Sources of Tax Revenue? An Assessment of the Options for Alberta Cities” SPP Research Papers, Volume 7 • Issue 26 • September 2014 <http://policyschool.ucalgary.ca/?q=content/do-local-governments-need-alternate-sources-tax-revenue-assessment-options-alberta-cities>

### **March 27: Deficits, Debt, and Saving Resource Revenues**

- B. Dahlby and M. Smart “The Structure and Presentation of Provincial Budgets” SPP Research paper, Volume 8 • Issue 25 • May 2015 <http://policyschool.ucalgary.ca/?q=content/structure-and-presentation-provincial-budgets>
- D. Dodge, “Report to the Government of Alberta on the Development, Renewal and Financing of the Government's plan for Spending on Capital Projects to 2019” <http://finance.alberta.ca/publications/budget/budget2015-october/goa-strategic-plan.pdf#page=20>
- Parliamentary Budget Officer, “Federal balanced budget legislation: Context, impact and design” Ottawa. [http://www.pbo-dpb.gc.ca/files/files/BalBudLeg\\_EN.pdf](http://www.pbo-dpb.gc.ca/files/files/BalBudLeg_EN.pdf).
- T. van den Bremer and R. van der Ploeg “Digging Deep for the Heritage Fund: Why the Right Fund for Alberta Pays Dividends Long After Oil Is Gone” SPP Research Papers Volume 7 • Issue 32 • October 2014 <http://policyschool.ucalgary.ca/?q=content/digging-deep-heritage-fund-why-right-fund-alberta-pays-dividends-long-after-oil-gone>

**April 3: Team Presentations**

**April 10: Team Presentations**

### **Grade Determination and Final Examination Details:**

Policy Roundtables:	20% (schedule to be distributed)
Individual Assignment:	5%
Team Project and Presentations	35% (project paper due April 2 <sup>rd</sup> )
Final Examination:	40%

Letter grades as described in the Faculty of Graduate Studies Calendar (see p.27) will be given for all elements of grade determination noted above. The course grade will be determined based on a weighted average of those grades according to the percentages shown above. In the event

that elements are marked on a numerical (percentage) basis, they will be converted to letter grades. As a guide to determining standing, these letter grade equivalences will generally apply:

A+	97-100	B	75-79	C-	60-62
A	90-96	B-	70-74	D+	55-59
A-	85-89	C+	67-69	D	50-54
B+	80-84	C	63-66	F	0-49

### Important Notes:

- The School of Public Policy expects the highest standards of professional conduct by students, faculty and staff. Abusive or disrespectful behavior will not be tolerated. This includes any expression of prejudice in any of its forms.
- It is the student's responsibility to be fully aware of the academic regulations outlined in the University Of Calgary Faculty Of Graduate Studies Calendar. Provisions regarding Student Misconduct (plagiarism, cheating and other academic misconduct) will be strictly enforced. Please review the University of Calgary's Regulations on Plagiarism, Cheating and Other Academic Misconduct, online: <http://www.ucalgary.ca/pubs/calendar/current/k-2.html>
- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) should discuss their work with the Instructor *within fifteen days* of the work being returned to the class.
- Examinations will not be given prior to the scheduled date.
- It is the student's responsibility to request academic accommodations. If you are a student with a documented disability who may require academic accommodation and have not registered with the Student Accessibility Services, please contact their office at 220-8237. Students who have not registered with the Student Accessibility Services are not eligible for formal academic accommodation. You are also required to discuss your needs with your instructor no later than fourteen (14) days after the start of this course. The Student Accessibility Services website is here: <http://www.ucalgary.ca/access/>
- All material used in this course is for the sole use of the individual and should not be recopied in either print or digital format. For copyright guidelines, including those relating to photocopying and electronic copies, please refer to the Association of Universities and Colleges of Canada (AUCC) fair dealing guidelines. <http://library.ucalgary.ca/copyright/fair-dealing>
- The University of Calgary complies with the requirements of the *Freedom of Information and Privacy Act*. The University's policy on the sharing of student information with third parties can be found here: <http://www.ucalgary.ca/legalservices/files/legalservices/pg-pi-of-students-to-3rd-parties.pdf>. The University's policy on the sharing of student information with the subject can be found here: <http://www.ucalgary.ca/legalservices/files/legalservices/pg-pi-of-student-to-subject.pdf>
- In the event of an emergency, students may be required to evacuate the building. If evacuation is ordered, follow these procedures:
  - Stay calm, do not rush, and do not panic.
  - Safely stop your work.
  - Gather your personal belongings if it is safe to do so. (keys, purses, jackets, cell phones, etc. It may be hours before you are allowed back in the building.)
  - If safe, close your office door and window, but do not lock them.
  - If directed by wardens, follow their instructions.
  - Use the closest emergency exit. Do not use the elevator.

- Proceed to the designated Emergency Assembly point in front of the Holiday Inn on 8<sup>th</sup> avenue to the west of the Downtown Campus.
- Do not re-enter the building or work area until you have been advised by emergency responders that it is safe to do so.

Graduate Students' Association Vice-President, Academic

Abu Abdelhafiz

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Graduate Students Association

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Emergency Assembly Point

Holiday Inn Lobby (weather permitting)

1020 8<sup>th</sup> Avenue SW

Calgary, Alberta T2P 1J2

Or remain at nearest exit point

Safewalk / Campus Security: 220-5333



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