

PPOL 615- Public Finances Course Outline

Course:	PPOL 615 Public Finances	Term:	Winter 2019
Time:	Monday 17:00- 20:00	Section:	01
Instructor:		Place:	Nexen Technology and Conference Center, DTC (Downtown Campus: 5 th Floor, 906-8 th Avenue SW)
Office:	5 th floor of DTC	Telephone:	403-220-8068
Office Hours:	TBD	E-mail:	ttombe@ucalgary.ca

Required Textbook(s):

Harry Rosen, Ted Gayer, Jean-Francois Wen, and Tracy Snoddon, *Public Finance in Canada* 5th Edition, McGraw-Hill Ryerson, 2016.

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 Description:

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 efficient 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.

Grade Determination and Final Examination Details:

Policy Roundtables:	15% (schedule to be distributed)
Individual Assignments:	15% (5% each; three assignments)
Team Project and Presentations	30% (project paper due April 8 th)
Final Examination:	40% (date TBD)

Passing the course does not require passing any individual component, but is instead based on your overall grade. During the final examination, students may use a single page (double-sided) of notes containing whatever information they wish.

Grading*: Letter grades as described in the Faculty of Graduate Studies Calendar (see section E.1 of Calendar online) 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, the following 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

Schedule of Topics:

January 14: An Overview of the Economic Role of Government and Budgeting

- Rosen et al., Chapters 1
- R. Kneebone “A Primer on the Government of Alberta’s Budget” SPP Research Paper 6 (2): January 2013 <https://www.policyschool.ca/wp-content/uploads/2016/03/alberta-budget-final.pdf>
- B. Dahlby and M. Smart “The Structure and Presentation of Provincial Budgets” SPP Research Paper 8 (25): May 2015 <https://www.policyschool.ca/wp-content/uploads/2016/03/provincial-budgets-dahlby-smart.pdf>
- Alberta Budget 2018 <https://www.alberta.ca/budget.aspx>

January 21: Market Failure: Public Goods, Externalities, and Asymmetric Information

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

January 28: Tax Policy - Efficiency and Incidence

- Rosen et al., Chapters 14, 15, and 16

- B. Dahlby and E. Ferede, “The Costliest Tax of All: Raising Revenue Through Corporate Tax Hikes Can be Counter-Productive for the Provinces.” SPP Research Papers 9 (11): March 2016 <https://www.policyschool.ca/wp-content/uploads/2016/05/estimating-tax-base-ferede-dahlby.pdf>

February 4: 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 8(8): March 2015 <https://www.policyschool.ca/wp-content/uploads/2016/03/ontario-committee-review-sheikh.pdf>

February 11: Fiscal Federalism

- Rosen et al., Chapter 8
- The O’Brien Report, “Achieving a National Purpose: Putting Equalization Back on Track” Expert Panel on Equalization and Territorial Formula Financing, May 2006 <http://publications.gc.ca/collections/Collection/F2-176-2006-1E.pdf>
- J. Feehan. “Canada’s Equalization Formula: Peering Inside the Black Box...And Beyond” SPP Research Paper 7(24): September 2014 <https://www.policyschool.ca/wp-content/uploads/2016/03/feehan-equalization.pdf>

February 18: Mid-Term Break, No Lecture

February 25: Personal Income and Consumption Taxation

- Rosen et al., Chapters 17, 18, and 19
- P. Bazel and J. Mintz, “Enhancing The Alberta Tax Advantage With A Harmonized Sales Tax” SPP Research Papers 6(29): September 2013 <https://www.policyschool.ca/wp-content/uploads/2016/03/alberta-hst-final.pdf>

March 4: Corporate and Resource Taxation

- Rosen et al, Chapters 20 and 21
- K. McKenzie, “Inside the Black Box: Marginal Effective Tax Rates on Capital in Canada – A Primer,” *Canadian Tax Journal* 64(4): 795-816, 2016. <https://econ.ucalgary.ca/manageprofile/sites/econ.ucalgary.ca.manageprofile/files/unitis/publications/1-7543518/fn.pdf>
- D. Chen and J. Mintz, “Alberta’s New Royalty Regime is a Step Towards Competitiveness: A 2016 Updated” SPP Research Papers 8(4): October 2016

<https://www.policyschool.ca/wp-content/uploads/2016/11/AB-New-Royalty-Regime-Crisan-Mintz-final.pdf>

- Alberta Royalty Review Panel Report

March 11: Deficits, Debt, and Saving Resource Revenues

- 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.
- 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 7(32): October 2014 <https://www.policyschool.ca/wp-content/uploads/2016/03/digging-deep-bremer-ploeg.pdf>

March 18: Aging Population (Healthcare and Pensions)

- Rosen et al., Chapter 9 and 11
- Canadian Institute for Health Information, “National Health Expenditure Trends”
<https://www.cihi.ca/en/national-health-expenditure-trends>
- OECD Pensions at a Glance, 2015 http://www.oecd-ilibrary.org.ezproxy.lib.ucalgary.ca/finance-and-investment/oecd-pensions-at-a-glance_19991363

March 25: Environmental Policy Instruments (Carbon Tax, Cap-and-Trade)

- Rosen et al, Chapter 5
- Canada’s EcoFiscal Commission, “Choose Wisely: Options and Trade-offs in Recycling Carbon Pricing Revenues”. Full report *and* position papers.
<https://ecofiscal.ca/reports/choose-wisely-options-trade-offs-recycling-carbon-pricing-revenues/>

April 1: TIME PERMITTING - Social Benefits, EI, Education

- Rosen et al., Chapters 10, 12, 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>

April 8: Team Presentations

April 15-27: Exam Period

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>
<http://www.ucalgary.ca/pubs/calendar/current/k-5.html>
- Students seeking reappraisal of a piece of graded term work (term paper, essay, etc.) must discuss their work with the Instructor *within fifteen days* of the work being returned to the class. If not satisfied the student shall immediately take the matter to the Director of the MPP program or the Academic Director of the School and ask for a ruling and written reassessment. Should the student wish a further appeal it must be addressed to the Director and Palmer Chair of the School within 15 days of the ruling by the MPP Director or the Academic Director. For further information see the School of Public Policy Student Appeals Process at:
<http://www.policyschool.ca/wp-content/uploads/2017/06/Student-Academic-Appeals.pdf>
- Examinations will not be given prior to the scheduled date.
- Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services; SAS will process the request and issue letters of accommodation to instructors. For additional information on support services and accommodations for students with disabilities, Visit www.ucalgary.ca/access/. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their Instructor. The full policy on Student Accommodations is available at:
<http://www.ucalgary.ca/policies/files/policies/student-accommodation-policy.pdf>
- 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.
<https://libanswers.ucalgary.ca/faq/199025>
- 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>

- A link for the Student Ombuds' Office is www.ucalgary.ca/ombuds/
- Links to campus mental health resources include: www.ucalgary.ca/wellnesscentre/ and www.ucalgary.ca/mentalhealth/ .
- 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 8th 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' Union Vice-President, Academic

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Emergency Assembly Point

Holiday Inn Lobby (weather permitting)

1020 8th Avenue SW

Calgary, Alberta T2P 1J2

Or remain at nearest exit point

Safewalk / Campus Security: 220-5333

