



JSGS 802 – Public Finance

UNIVERSITY OF SASKATCHEWAN CAMPUS	
INSTRUCTOR:	Haizhen Mou
PHONE:	306-966-5305
E-MAIL:	haizhen.mou@usask.ca
TERM:	Winter 2023
ROOM:	Online – http://canvas.usask.ca/
DATE AND TIME:	Course materials available January 9 – April 11, 2023
OFFICE HOURS	By appointment

CALENDAR DESCRIPTION

This course provides a survey of Canadian public finance. Students will examine rationales for government intervention in a market economy, the assessment of public policy, how government decisions are made and the impact of government expenditures and taxation on the economy and the well-being of Canadians, in terms of economic efficiency and interpersonal equity. The course will also examine fiscal policy in a federated system and how fiscal matters affect federal/provincial relations in decision making.

LEARNING OBJECTIVES

Upon completion of this course, students should be able to:

1. Use a provided framework to explain how government revenues are collected and spent in Canada.
2. Apply this framework to analysis of public finance issues and decisions, including:
 - rationales for government intervention,
 - sources of government revenues,
 - allocation of funds, and
 - interactions between different levels of government.
3. Analyze current policy debates related to public finance in Canada.

JSGS CORE COMPETENCIES

Through the development of the following competencies, JSGS MPA graduates will be prepared to meet the policy challenges of a rapidly changing world:

- **Analysis and Use of Evidence** – how to use evidence and develop the necessary analytical skills to succeed in a public administration career;
- **Politics and Democracy** – ensuring that students have a deep understanding of the role of politics and democracy in public policy development including the roles of the various institutions and policy actors; and

- **Policy Delivery** – the importance of effective service delivery and the ongoing management and evaluation of public policy.

Textbook

Harvey S. Rosen, Jean-Francois Wen, Tracy Snoddon (RWS, 2016). Public Finance in Canada, 5th Edition. Toronto: McGraw-Hill Ryerson.

Note that students will NOT need electronic access to the McGraw-Hill “Connect” platform (ebook) for any graded components of the course. They are available only as an option for students who wish to access additional interactive ebook and study resources. Purchasing options:

- Connect / ebook version only (note: this is the lowest-cost option, but access to the online book is temporary, i.e., 1 year)
- Connect / ebook version with print edition
- Print version only

EVALUATION

Component	Due dates	Percentage
End-of-Module Quizzes	Due on the last day of each module	20% (2% × 10)
Assignment 1 – group assignment	Due on Feb 12 by 11:59 PM	15%
Assignment 2 – group assignment	Due on Mar 19 by 11:59 PM	15%
Online discussion forum	Due on April 2 by 11:59 PM	20%
Final Exam – individual exam	Due on April 9 by 11:59PM	30%
Total		100%

* All times are Central Standard Time (CST), which is the time zone for Saskatoon and Regina.

Weekly Check-In and Class Discussion Sessions:

This course includes weekly live (i.e., synchronous) check-in sessions. The first live session will be to welcome you to the course and review the syllabus. The other sessions are more substantive and will consist of class discussion, answering questions, and creating opportunities for interactions more akin to an in-person class. All live sessions will be held online via Zoom and will be recorded.

To try to accommodate students’ schedules, there are two time options for students enrolled in the online JSGS802 course and online 838 course. You can choose to attend one of the two sessions or attend both. Note the content of the sessions are often driven by students’ questions. You are encouraged to attend the sessions to ask questions or share your thoughts.

- Check-in Session option #1: Tuesdays 12-1pm, CST
- Check-in Session option #2: Wednesdays 7-8pm, CST

COURSE OUTLINE (Subject to Changes)

Week	Module	Readings	Due date
Part I: Introduction			
Week 1 Jan 9 – Jan 15	1. Setting the Stage: Financing and Spending in a Multilevel Political System	Textbook Ch. 1, 2, 3 Live Session #1 – Course Overview and Introduction	Quiz 1 due
Week 2 Jan 16 – Jan 22	2. Public Choice and Fiscal Federalism	Textbook Ch. 7, 8 Supplementary Readings: <ul style="list-style-type: none"> • Tiebout, Charles M. 1956. A Pure Theory of Local Government Expenditures. <i>Journal of Political Economy</i>, 64(5), 416–424. www.jstor.org/stable/1826343 • The O’Brien Report (2006). Achieving a National Purpose: Putting Equalization Back on Trac. Expert Panel on Equalization and Territorial Formula Financing. https://central.bac-lac.gc.ca/.item?id=F2-176-2006E&op=pdf&app=Library • Marchildon, Greg. P. and Haizhen Mou (2014). A needs-based allocation formula for Canada Health Transfer. <i>Canadian Public Policy</i>, (40)3, 209–223 https://www.jstor.org/stable/24365125?seq=1 	Quiz 2 due
Part II: Public Expenditure in Canada			
Week 3 Jan 23 – Jan 29	3. Health Care	Textbook Ch. 9 Supplementary Readings: <ul style="list-style-type: none"> • Usher, Dan (1977). The welfare economics of the socialization of commodities, <i>Journal of Public Economics</i>, 8(2) 2, 151-168. https://doi.org/10.1016/0047-2727(77)90016-0 • Advisory Council on the Implementation of National Pharmacare (2019). A Prescription for Canada: Achieving Pharmacare for All. https://www.canada.ca/en/health-canada/corporate/about-health-canada/public-engagement/external-advisory-bodies/implementation-national-pharmacare/final-report.html 	Quiz 3 due
Week 4 Jan. 30 – Feb 5	4. Education	Textbook Ch. 13 Supplementary Readings: <ul style="list-style-type: none"> • Card, David, Martin D. Dooley and A. Abigail Payne (2010). School Competition and Efficiency with Publicly Funded Catholic 	Quiz 4 due

		<p>Schools. <i>American Economic Journal: Applied Economics</i>, 2(4), 150-176. https://www.aeaweb.org/articles.php?doi=10.1257/app.2.4.150</p> <ul style="list-style-type: none"> Hendren, Nathaniel and Ben Sprung-Keyser (Aug. 2020). A Unified Welfare Analysis of Government Policies. <i>The Quarterly Journal of Economics</i>, 135(3), 1209–1318. https://doi.org/10.1093/qje/qjaa006 	
Week 5 Feb 6 – Feb 12	5. Public Pensions	<p>Textbook Ch. 11</p> <p>Supplementary Readings:</p> <ul style="list-style-type: none"> Wolfson, Michael (2011). Projecting the Adequacy of Canadians' Retirement Incomes. <i>Institute for Research on Public Policy Study</i>, No. 17, http://www.irpp.org/pubs/IRPPstudy/IRPP_Study_no17.pdf Milligan, Kevin and Tammy Schirle (2014). Simulated Replacement Rates for CPP Reform Options. <i>SPP Research Papers</i>. http://www.policyschool.ca/wp-content/uploads/2016/03/milligan-cpp-options-final.pdf 	Quiz 5 due A1 due on Feb. 12 by 11:59pm
Week 6 Feb 13 – Feb 19	6. Employment Insurance and Other Expenditures	<p>Textbook Ch. 10, 12</p> <p>Supplementary Readings:</p> <ul style="list-style-type: none"> Courchene, Thomas J. and John R. Allan (2009). A Short History of EI, and a Look at the Road Ahead. <i>Policy Options</i>. http://www.irpp.org/po/archive/sep09/courchene.pdf. Heller, Nathan (July 2, 2018). Who Really Stands to Win from Universal Basic Income? <i>The New Yorker</i>. https://www.newyorker.com/magazine/2018/07/09/who-really-stands-to-win-from-universal-basic-income 	Quiz 6 due
Week 7 Feb 20 – Feb 26		Winter break	
Part III: Government Revenue in Canada			
Week 8 Feb 27 – Mar 5	7. Personal Income Tax	<p>Textbook Ch. 17, 18</p> <p>Supplementary Readings:</p> <ul style="list-style-type: none"> Hoffmann, Florian, David S. Lee, and Thomas Lemieux (2020). Growing Income Inequality in the United States and Other Advanced Economies. <i>Journal of Economic Perspectives</i>, 34 (4), 52-78. DOI: 10.1257/jep.34.4.52 Baker, Michael, Jonathan Gruber, and Kevin Milligan (2008). Universal Child Care, Maternal Labor Supply, and Family Well-Being. 	Quiz 7 due

		<p><i>Journal of Political Economy</i>, 116(4), 709-745. http://www.jstor.org/stable/10.1086/591908</p>	
<p>Week 9 Mar 6 – Mar 12</p>	<p>8. Consumption Tax</p>	<p>Textbook Ch. 19</p> <p>Supplementary Readings:</p> <ul style="list-style-type: none"> • Smart, Michael (2011). The Impact of Sales Tax Reform On Ontario Consumers: A First Look at the Evidence. <i>SPP Research Papers</i>. https://www.fin.gov.on.ca/en/publications/2011/smart.pdf • Layton, Carol and Steve Orsini (June 18, 2020). What can Ontario's HST Experience Teach Us about Economic Recovery? <i>Policy Options</i>. https://policyoptions.irpp.org/magazines/june-2020/what-can-ontarios-hst-experience-teach-us-about-economic-recovery/ 	<p>Quiz 8 due</p>
<p>Week 10 Mar 13 – Mar 19</p>	<p>9. Other Taxes</p>	<p>Textbook Ch. 20, 21</p> <p>Supplementary Readings:</p> <ul style="list-style-type: none"> • Kitchen, Harry M., and Enid Slack (2003). "Special Report: New Finance Options for Municipal Governments." <i>Canadian Tax Journal</i>, 51(6), 221-2275. https://munkschool.utoronto.ca/imfg/uploads/139/kitchenslack_new_nance_for_municipal_governments_2003.pdf • Holmes, Thomas J. (2000). "The Location of Industry: Do States' Policies Matter?" <i>Regulation</i>, 23(1), 47-50. https://www.cato.org/sites/cato.org/files/serials/files/regulation/2000/4/holmes.pdf 	<p>Quiz 9 due A2 due on Mar 19 by 11:59pm</p>
Part IV: Bringing It All Together			
<p>Week 11 Mar 20 – Mar 26</p>	<p>10. Government Budget, Deficit/Surplus and Debt</p>	<p>Textbook online supplement: Deficit Finance http://highered.mheducation.com/sites/dl/free/0070071837/952535/Rosen4e_InternetCh03.pdf</p> <p>Supplementary Readings:</p> <ul style="list-style-type: none"> • Furman, Jason and Lawrence Summers (Nov. 30, 2020). A Reconsideration of Fiscal Policy in the Era of Low Interest Rates. https://www.piie.com/system/files/documents/furman-summers2020-12-01paper.pdf • Mou, Haizhen, Michael M. Atkinson and Stephen Tapp (2018). Do Balanced Budget Laws Matter in Recessions?" <i>Public Budgeting & Finance</i>, 38(1), 28 – 46. http://onlinelibrary.wiley.com/doi/10.1111/pbaf.12163/full 	<p>Quiz 10 due</p>
<p>Week 12 Mar 27 – Apr 2</p>	<p>Economic Growth and Inequality</p>	<p>Reading:</p> <ul style="list-style-type: none"> • Summers, Lawrence H. (2014). "U.S. Economic Prospects: Secular Stagnation, Hysteresis, and the Zero Lower Bound." <i>Business Economics</i>. Vol. 49, No. 2. 65-73. "http://larrysummers.com/wp- 	<p>Discussion Forum due on</p>

		content/uploads/2014/06/NABE-speech-Lawrence-H.-Summers.pdf Supplementary Readings: Piketty, Thomas (2014). <i>Capital in the Twenty-First Century</i> Cambridge, MA: Belknap Press	April 2 by 11:59pm
Week 13 Apr 3 – Apr 9	Final Exam		Final exam due on April 9 by 11:59pm

REMOTE LEARNING CONTEXT

We acknowledge that remote teaching and learning context is probably new to some of you. With that in mind, I urge everyone to participate fully in the course – take advantage of the virtual check-in sessions, reach out to me (i.e., your instructor) via email, interact with your fellow students, participate fully in the discussion forums, and do all of that with empathy, care and patience.

THE LEARNING MANAGEMENT SYSTEM

This course is offered through the Canvas learning management system (LMS). It is USask’s new mobile-friendly learning management system. While many of you will choose to use the LMS on your desktop computer, you can also use the free [app](#) on your Android or iOS devices. Please ensure your Canvas Notifications are set to receive **Announcements**, **Conversations**, and **Messages** from us about grades and appointments.

If you are not yet seeing this course in Canvas yet, please go to canvas.usask.ca and log in with your NSID to see your course(s) on any of your browser or devices. Please note that the course will not be visible until your instructor(s) have published it. Based on experience to date, the Canvas LMS seems best suited to Google Chrome and Mozilla Firefox.

If you need help with Canvas, please consult the following resources:

- USask’s Canvas webpage for students: <https://students.usask.ca/study/canvas.php>
- This short [Canvas Overview for Students](#) video shows you the look and feel of Canvas.
- Access other and [Canvas Videos](#) and [Canvas Student Guide](#) for easy to follow instructions.
- USask has a 24/7 Canvas Support Hotline at 1-855-382-5556 and [Live Chat for Students](#); this information is also on the Help menu on your Canvas Dashboard.
- If you experience technical difficulties where you're unable to access Canvas, or if a feature isn't working as it should, then visit itsupport.usask.ca to search their Knowledge Base and/or submit a request to [IT Support](#).

Finally, please watch your PAWS Announcement feed and your USask email for updates on Canvas student resources.

DESCRIPTION OF ASSIGNMENTS

End-of-Module Quizzes

There will be ten quizzes at the end of each module. Each quiz closes at the last day of the module. Each quiz is worth 2% of the final grade for a total of 20%. Students are responsible for reviewing the module content and completing quizzes on time.

The quizzes are designed as a reflection and practice opportunity. You can read the course materials, attempt the quiz, see your grade, compare your answers with the correct answers, and then re-try the quiz. You are allowed multiple attempts on the quiz until you are satisfied with your quiz grade, as long as it is done before each quiz deadline.

Discussion Forums

There will be one discussion forum about one policy topic.

Students are responsible for providing thoughtful comments on the discussion board. Participation will be graded based on the quality and frequency of the comments, the degree to which the comments integrate and demonstrate understanding of class material, the quality of the writing, and the extent to which students show genuine engagement with the material and their fellow classmates' posts. In other words, this should feel like a real, respectful and intellectually engaging conversation. Formulaic and "paint-by-number" response will not earn a good grade. More details are available in a document on the discussion board in the Canvas platform.

Group Assignments

In addition to the quizzes, students must also complete two group-based assignments.

- **Assignment #1** – Fiscal Federalism and Government Expenditures
- **Assignment #2** – Government Revenues and Taxation

Each group consists of *no more than five* students. Each group will submit only one assignment and every member will receive the same grade. In the Canvas LMS, click the "People" link and look under the "Groups" tab to sign-up to join a group. In some cases, you will be assigned to a group by the instructor. See the "Assignments" area of the course for more details on the assignment requirements and to submit your completed work. All completed assignment should be submitted electronically by uploading a **single Word document** to the Canvas LMS.

Final Exam

This class will have a final exam, consisting of single choice questions (online quiz) and short/long answer questions. Both are individual exams. You will be able to access them under the "Assignments" area of the course during the exam week, April 3-9 (Saskatchewan time). The exam takes about 2-3 hours. A student can start the exam at a time suitable to his or her schedule during the exam open period, but has to complete the entire exam and submit all answers before 11:59PM, April 9, 2023 (Saskatchewan time).

LATE ASSIGNMENTS

Late assignment will be assigned a penalty of 10% of the full mark of the assignment. Assignments more than a week late will lose the full mark of the assignment. Students who feel they need a deadline extension due to unforeseen circumstances should submit their request prior to the due date.

USE OF VIDEO AND RECORDING OF THE COURSE

Video conference sessions in this course, including your participation, will be recorded and made available only to students in the course for viewing via Canvas after each session. This is done, in part, to ensure that students unable to join the session (due to, for example, issues with their Internet connection) can view the session at a later time. This will also provide students with the opportunity to review any material discussed. Students may also record sessions for their own use, but they are not permitted to distribute the recordings (see below).

Please remember that course recordings belong to the instructor, the University, and/or others (like a guest lecturer) depending on the circumstance of each session, and are protected by copyright. Do not download, copy, or share recordings without the explicit permission of the instructor.

For questions about recording and use of sessions in which you have participated, including any concerns related to your privacy, please contact your instructor. More information on class recordings can be found in the Academic Courses Policy at <https://policies.usask.ca/policies/academic-affairs/academic-courses.php#5ClassRecordings>.

COPYRIGHT

Course materials are provided to you based on your registration in a class, and anything created by your professors and instructors is their intellectual property, unless materials are designated as open education resources. This includes exams, PowerPoint/PDF slides and other course notes. Additionally, other copyright-protected materials created by textbook publishers and authors may be provided to you based on license terms and educational exceptions in the Canadian Copyright Act (see <http://laws-lois.justice.gc.ca/eng/acts/C-42/index.html>).

Before you copy or distribute others' copyright-protected materials, please ensure that your use of the materials is covered under the University's Fair Dealing Copyright Guidelines available at <https://library.usask.ca/copyright/general-information/fair-dealing-guidelines.php>. For example, posting others' copyright-protected materials on the open web is not covered under the University's Fair Dealing Copyright Guidelines, and doing so requires permission from the copyright holder.

For more information about copyright, please visit <https://library.usask.ca/copyright/index.php>. For information on students' rights, see <https://library.usask.ca/copyright/students/rights.php>, or contact the University's Copyright Coordinator at copyright.coordinator@usask.ca or 306-966-8817.

INTELLECTUAL PROPERTY ACKNOWLEDGEMENT

We acknowledge the prior work of Haizhen Mou and Yang Yang in the development of this online course.