

## PUBLIC ADMINISTRATION 8010 THE PUBLIC ECONOMY

Spring 2004  
Office: Annex 26, Room 104  
Phone: (402) 554-3989  
Class meeting time: Wednesday, 5:30-8:10

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Classroom: AH 305

**Course Description:** This is a required course for persons in the MPA program. Other students may enroll only with the permission of the instructor. Other than graduate standing, this course presumes no prior background.

**Course Objectives:** This course focuses on microeconomics and its application to policy and management in the public and non-profit sectors. One of the central questions in any society is, what should government do and how should it do it? In this course, the concept of efficiency is developed and applied along with the goal of social equity to help determine the roles of the public, private and non-profit sectors. Some of the key issues are: How should equity and efficiency concerns be balanced? Should government intervene to correct shortcomings of the market, and if so, how? How can public and nonprofit managers improve efficiency?

**Course requirements:** Grades will be determined by the following components:

Quizzes (do 10 out of 13): 30%  
Class participation: 15%  
Term paper: 25%  
Final examination: 30%

All components are graded with letter grades using pluses and minuses. They are averaged together to calculate the final grade using the following grade ranges:

A	3.84 and above
A-	3.50 - 3.83
B+	3.17 - 3.49
B	2.84 - 3.16
B-	2.50 - 2.83
C+	2.17 - 2.49
C	1.84 - 2.16
C-	1.50 - 1.83
D+	1.17 - 1.49
D	0.84 - 1.16
D-	0.5 - 0.83
F	0.5 and below

Quizzes are weekly (except weeks 1 and 15) and will be at the beginning of class. They are open-book, open note quizzes that test your understanding of the concepts covered in the assigned reading material. The student may choose to do more quizzes than required and have the low grade(s) dropped. Class participation will be based on in-class presentations of problems from the Anderson book and presentations of your term papers on April 28. The papers should be on a topic that I have approved. The deadline for topic proposals is March 31 and the paper is due April 30. Written work must be of high quality and professionally presented. Appropriate citations and references are essential for reasons of academic honesty and proper style. For further guidance consult either: William Strunk and E. B. White, The

Elements of Style (most recent edition), The Chicago Manual of Style, (most recent edition), or Publications Manual of the American Psychological Association (fourth edition). The final exam will be comprehensive.

The following books will be used in this course. Both are available at the UNO bookstore:

- John E. Anderson, Public Finance
- John C. Winfrey, Social Issues: The Ethics and Economics of Taxes and Public Programs

Other texts some may find helpful are:

- John M. Levy, Essential Microeconomics for Public Policy Analysis
- Dennis R. Young and Richard Steinberg, Economics for Nonprofit Managers
- Walter Nicholson, Intermediate Microeconomics and its Applications
- Lee S. Friedman, The Microeconomics of Public Policy Analysis

**University Policies:** The University rules regarding academic honesty, as written on pp. 164-165 of the current Graduate Catalog will be strictly enforced. Students unfamiliar with them should review them, in particular the offense of plagiarism which is defined as “the intentional appropriation of the work (be it ideas or phrasing of words) of another without crediting the source.” Students who have a documented disability and need academic accommodation are encouraged to contact the instructor to discuss their needs.

**Class Policies:** It is the student's responsibility to take appropriate measures to ensure they keep up with the material if they are unable to attend class. Students should feel free to contact the instructor for help as needed. Late papers will be penalized one-third of a letter grade per day. Please inform me if any of the dates below conflict with your religious observances.

### **Week 1, January 14: Course overview**

### **Week 2, January 21: Role of government**

Anderson, Ch. 1

Winfrey, Ch. 1

### **Week 3, January 28: Methodology**

Anderson Ch. 2

Walter Nicholson, “Functions and Graphs Used in Economics,” Intermediate Microeconomics and its Applications, pp. 26-42

### **Week 4, February 4: Markets and efficiency**

Anderson, Ch. 3

Winfrey, Ch. 2

### **Week 5, February 11: Externalities**

Anderson, Ch. 4

Winfrey, Ch. 7

### **Week 6, February 18: Equity**

Anderson, Ch. 5

Winfrey, pp. 84-94

### **Week 7, February 25: Collective decision-making**

Anderson, Ch. 6

John R. Bartle, "Budgeting and Public Choice," Encyclopedia of Public Administration and Public Policy

**Week 8, March 3: Benefit-cost analysis**

Anderson, Ch. 7

Dennis R. Young and Richard Steinberg, Economics for Nonprofit Managers, Ch. 10

**Week 9, March 10: Government service provision - Theory**

Anderson, Ch. 8

William Stanbury and Fred Thompson, "Towards a Political Economy of Government Waste: First Step, Definitions," Public Administration Review, Sept./Oct. 1995, pp. 418-426

**March 17: Spring Break**

**Week 10, March 24: Government service provision - Application (education and health care)**

Winfrey, Chs. 4-5

**Week 11, March 31: Taxation I**

Anderson, Chs. 9-10

Winfrey, pp. 55-84

**Week 12, April 7: Taxation II**

Anderson, Chs. 11-12

**Week 13, April 14: Public budgeting**

Anderson, Chs. 17 and 20

John R. Bartle, "Budgetary Analysis and Economics," Encyclopedia of Public Administration and Public Policy

**Week 14, April 21: Fiscal federalism**

Anderson, Chs. 18-19

Dale Krane, Carol Ebdon and John Bartle, "Anomalies in the Theory of Fiscal Federalism: Explaining Shifting Patterns of U.S. Local Government Revenues"

**Week 15, April 28: Open**

**May 5, Final Examination**