

San Jose State University
Department of Economics

Dr. Tom Means
Spring 2021

Economics 133

Public Choice Economics

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Faculty

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Office

Hours: Please email me.

Add/

Drops: You are responsible for all University and Department guidelines regarding the adding and dropping of a class. Please consult the SCHEDULE OF CLASSES.

Text: ***Public Sector Economics: The Role of Government in the American Economy***, Randall Holcombe, 6th ed., Pearson, 2006. (this book is out of print and only used copies are available)

All Politics Is Local: A Guide to Local Government from a Non-Political Perspective, Tom Means, 2021. (this book is available on Amazon in a Kindle format. A printed copy can also be ordered)

Student

Learning

Objectives:

- ✓ Learn the basic differences between private and public institutions.
- ✓ Learn basic approaches to government production.
- ✓ Learn basics of collective/political decision-making.
- ✓ Learn basics of rent-seeking and special interest groups.
- ✓ Learn basic economic analysis of local government policies.

Course

Info:

This is an introductory upper division course in Public Choice Theory. The course will focus on political institutions, voting, rent seeking, special interests, legislative and judicial decision-making, bureaucracy, and the provision of government services. Public Choice Theory approaches decision-making similar to the approach of decision-making in the private sector. Politicians and government bureaucrats are motivated by self-interest or purposeful behavior. A pre-requisite for this course is a principles course in microeconomics. You must be able to apply basic economic tools to analyze policies promoted by government bureaucrats and special interest groups.

I served in local government for the city of Mountain View for over 15 years. I served two 4-year terms on the City Council (Mayor in 2008), six years as a Parks and Recreation Commissioner, and served on the Rental Housing Commission. As a result of my local government experience, Economics 133 will cover the basics of public choice theory with special emphasis on local government.

Attendance in class (Wednesday zoom lecture) is highly recommended since lecture material will go into more depth than the text. Lecture material will also be emphasized on the exams and some lecture material is not in the text. If you are having problems with the course material, please see me early on in the course. I might be able to help you achieve better results if I know of your problem soon enough.

This is a four-unit course. This syllabus has learning objectives, rigor, class meeting times, and assignments commensurate with the expectation of 12 hours of work per week across 15 weeks in a semester. For reference, under a traditional three-unit course, you were expected to complete 9 hours of work per week inclusive.

Disability:

Any student with a disability requiring an accommodation should make this need known to the instructor during the first class. Every effort will be made to accommodate your needs.

Academic

Integrity:

Due to online teaching, student cheating has increased. Faculty members are required to report all infractions. Cheating or plagiarism (presenting the work of another as your own) will result in a zero for the assignment, filing a report to the Student Conduct Office, and may result in a failing grade.

For further information consult the University Academic Integrity Policy S07-2 at <http://www.sjsu.edu/senate/docs/S07-2.pdf> , which requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. [The Student Conduct and Ethical Development website](http://www.sjsu.edu/studentconduct/) is available at <http://www.sjsu.edu/studentconduct/>.

Class

Protocol:

For online Zoom meetings, please be on time and avoid any disruptive activities. Typically students will be muted, but can text via chat with questions at any time. Portions of Zoom meetings may be recorded and posted on Canvas for student reference. For privacy purposes during recordings, all students will be muted with the video gallery hidden on my screen. During these recordings students may continue to send questions via chat.

[University Policy S12-7](http://www.sjsu.edu/senate/docs/S12-7.pdf), <http://www.sjsu.edu/senate/docs/S12-7.pdf>, requires students to obtain instructor's permission to record the course.

"Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor's permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material."

"Course material developed by the instructor is the intellectual property of the instructor and cannot be shared publicly without his/her approval. You may not publicly share or upload instructor generated material for this course such as exam questions, lecture notes, or homework solutions without instructor consent."

Classroom Protocol:

~~Turn off cell phones. You are late to class when I close the front door to the classroom. If you are late, enter thru the rear door. If you need to leave class early, sit in the rear of the classroom.~~

Exams, Lab and

Homework: Along with several homework exercises, there will be **two exams** of equal weight, equally spaced throughout the course. The exams will emphasize homework exercises and will be **open book**. Incomplete grades will only be considered if you have a grade of C or better. Grading will be done on a curve.

Exam #1	35%
Exam #2(Final)	35%
<u>Homework Exercises</u>	<u>30%</u>
	100%

Course

Outline: I will assign readings for you to read and prepare for the weekly zoom meetings.

01/27(W)	The Public Sector (Holcombe Ch. 1)
02/03(W)	Principles for Analyzing Government (2) Basics of Local Government, Means (12, 13)
02/10(W)	Property Rights and Economic Efficiency (3) Zoning, Means (20, 21, 35)
02/17(W)	Externalities (4) Anti-Smoking Ordinances Means (30)
02/24(W)	Public Goods (5) Basic Economics, Means (8), Public Parks, Public Gardens
03/03(M)	The Economic Role of the State (6) Land Development, Means (17-19, 35) COCS Studies, Means (25)
03/10(W)	A Theory of Collective Action (7)

- Local Marijuana Ordinances, Means (28)
- 03/17(W) Public Sector Demand (8)
Local Rent Control Ordinances, Means (27)
- 03/22(M) Minimum Wage Ordinances, Means (26, 36)
Transportation and Parking Reports, Means (22, 33)
Bicycle/Pedestrian Groups, Means (38)
- 03/22(M) Review (1:30 – 2:45 pm)**
- 03/24(W) Midterm Exam**

03/29 – 04/02 SPRING BREAK – no classes

- 04/07(M) Supply & Demand in Political Markets (9)
Running the Race, Means (2, 3)
- 04/14(M) Positive Principles of Taxation (10)
Taxis Ordinances, Means (29), App. Based Driving
- 04/21(M) Principles of Tax Policy (11)
Affordable Housing Mandates, Nexus Based Taxes
- 04/28(W) Taxes on Economic Transactions (12)
One Side is Revenue, Means (15)
- 05/05(W) Property Taxes (15)
Means (15) Proposition 13,
- 05/12(W) The Budgeting Process (17)
Budget Process, Means (14-16)
- 05/17(M) Finance
Environmental Groups, Means (37)
- 05/25(W) Final Exam 9:45 am – 12:00 pm**