METHODS OF POLICY ANALYSIS
PUBLIC POLICY 210, Spring 2013
Mondays and Wednesdays, 10:30 – 11:50AM, Public Affairs 2355

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Course Description

This course presents an approach and fundamental techniques to performing policy analysis: benefit-cost analysis, cost effectiveness analysis, and decision analysis. As policy analysts, we leverage expertise and best practices from the social and physical sciences to make and implement pragmatic choices in the public interest. That’s a challenging and often rewarding task. We face time, knowledge, and other resource constraints in ways that other disciplines often do not. As a result, it’s our job to use the best combination of common sense, analytic tools, and available knowledge we can to choose a course of action.

The focus of our studies in this program isn’t on descriptive findings and the progression of theoretical understandings of people, nature, and their interactions. Instead, we leverage that stuff in the systematic methods of policy analysis you’ll learn here to make choices, and to make public policies better.

This course is a starting point. What we’ll cover in the next ten weeks will allow you to be a good consumer of policy research—you’ll get used to economics and social science jargon, and you’ll know how to approach a policy problem—and hopefully serve as a guide as you solve important problems later on in this program and your careers.

Course Materials

Policy Analysis in Theory and Practice by David Weimer and Aidan Vining

Course Reader (available for purchase at CopyMat, 925 Westwood Boulevard, 310-824-5276)

You also must have access to Microsoft Excel preferably on a laptop that you can bring to class on occasion.¹ You can borrow laptops on an hourly basis through CLICC in Powell or the Research Library.

¹ iWork Numbers, OpenOffice, or Google Drive Spreadsheets might also work, but I’m not sure that some of the Excel functions we’ll use (esp. Solver) are offered on the other software. We can only offer moral support if you choose to use one of those.
Course Website

The course website has lots of extra readings and will be where assignments are posted. Each week will have its own discussion board with topics and concepts that will be discussed that week. Students are encouraged to post comments, thoughts, and questions in advance of the class meeting that will discuss that topic. Soledad and I will be actively monitoring and contributing throughout the quarter.

Methods of Evaluation

Your work in this course will be evaluated in a variety of ways:

- **Problem Sets (20%)**: There will be five problem sets assigned over the course of the quarter. These problem sets are due on the day of class during which we will discuss the skill, so they will require advance work and consideration of the topic before the class meeting. You are encouraged to work with others on the problem sets, but must turn in your own, complete, assignment.

- **Class Participation (10%)**: Your participation in class and on the course website, and your work within your team (as evaluated by your teammates).

- **Final Project/Group Exercise (20%)**

- **Midterm Exam (20%)**

- **Final Exam (30%)**

Course Schedule and Assignments

**WEEK 1**

**Monday, April 1: The Art and Science of Policy Analysis**

- Letter from Benjamin Franklin to Joseph Priestley (Franklin) [on course website]
- Charles Darwin’s notes on marriage (Darwin) [on course website]

**Wednesday, April 3: CASE STUDY: Lead in Gasoline**

- Costs and Benefits of Reducing Lead in Gasoline, Chs. 1 and 8, (Schwartz et al.) [in reader and on course website]
- “Association of Prenatal and Childhood Blood Lead Concentrations with Criminal Arrests in Early Adulthood” (Wright et al.) [in reader and on course website]
- Mother Jones article on lead’s effect on crime (Drum) [link on course website]
  
  http://www.motherjones.com/environment/2013/01/lead-crime-link-gasoline

**Due in Class**: Problem Set 1

**Read at your leisure (but before the midterm)**

- Weimer and Vining, Ch 2 (all), Ch 16 (383-398), Ch 15 (345-359), Ch 16 (408-411), Ch 17
WEEK 2

Monday, April 8: Evaluative Dimensions, Dominance, the Efficient Set, & Trade Offs

- Weimer & Vining, Ch 15 (354-376)
- The Paradox of Voting (Condorcet’s Paradox)
  
- “A typology of governmental action,” (O’Hare) [in reader and on course website]

Wednesday, April 10: Willingness to Pay & Benefit-Cost Analysis; the Project Choice Rules

- The Real World of Cost-Benefit Analysis” Thirty-Six Questions (and Almost as Many Answers)
  
  (Sunstein) [on course website]
- Stokey and Zeckhauser, 134-155, [in reader]

WEEK 3

Monday, April 15: Cost-effectiveness Analysis and Budgeting

- Levin and McEwan, 132-151 [in reader]

**Due in Class:** Problem Set 2

Wednesday, April 17: Discounting and Spreadsheet Modeling

- Weimer and Vining, 399-411
- Stokey and Zeckhauser, 159-176 [in reader]
- “Discount rates: A boring thing you should know about (with otters!)” (Roberts)
  
  [link on course website] http://grist.org/article/discount-rates-a-boring-thing-you-should-know-about-with-otters/ (Thanks, Ben!)

WEEK 4

Monday, April 22: Discounting and Spreadsheet Modeling (continued)

**Due in Class:** Problem Set 3

Wednesday, April 24: Bayes’ Rule and the Value of Information

- “An Intuitive Explanation of Bayesian Reasoning” (Yudkowsky) [link on course website]

  http://yudkowsky.net/rational/bayes

- Probability Definitions [on course website]

WEEK 5

Monday, April 29: Choice Under Uncertainty: Basic Decision Analysis

- Review Levin and McEwan, 132-151
- Stokey and Zeckhauser, 201-227

**Due in Class:** Problem Set 4
Wednesday, May 1: Diminishing Marginal Utility, Risk Aversion, & Risk-Spreading Institutions

- Weimer and Vining, 119-128

Week 6
Monday, May 6: Midterm

Wednesday, May 8: Risk Spreading & Distribution


Week 7
Monday, May 13: Integrating empirical research into public policy analysis: deterring alcohol-related crime

- “Efficacy of frequent monitoring with swift, certain, and modest sanctions for violations: insights from South Dakota’s 24/7 Sobriety Project” (Kilmer et al.) [in reader and on course website]
- “Drinking, Driving, and Deterrence: The Effectiveness and Social Costs of Alternative Policies” (Kenkel) [in reader and on course website]

Due in Class: Problem Set 5

Wednesday, May 15: Economic Reasoning & The Ethics of Policy: Where Willingness to Pay Gets Hard

- “Economic Reasoning and Ethics of Policy” in Choice and Consequence, 1-26, (Schelling) [in reader]
- “The Value of Risks to Life and Health” (Viscusi) [in reader and on course website]

Week 8
Monday, May 20: Providing Public Goods

- “Market and Nonmarket Failures” (Kleiman & Teles) [on course website and in reader]
- Weimer and Vining, Policy Analysis: Concepts and Practice, Ch 5 (71-91)
- “The Tragedy of the Commons” (Harden) [in reader and on website]


- “Social Capital in the Formation of Human Capital,” (Coleman) [in reader and on website]
WEEK 9
Monday, May 27: NO CLASS (Memorial Day)

Wednesday, May 29: Quantitative Reasoning for Policy-Making
- TBD [but will be on course website]

WEEK 10
Monday, June 3: Principles of Advanced Guesstimation

Due in Class: Guesstimation Problem Set

Wednesday, June 5: Final Project Presentations

The final will be held during exam week. I’ll announce when and where as soon as the school releases the schedule.