

RPAD 643: Economics of Government Programs

Lucy C. Sorensen – Spring 2021

Format: Synchronous Online

Email: lsorensen@albany.edu

Time: Wednesday 6:00 - 8:00 PM

Meet: lucysorensen.youcanbook.me

I didn't want to spend any more time inside the mind of an economist. It was dark and disturbing. – Andy Weir, *Artemis*

Course Description

This four-credit course provides students with tools and theoretical models from economics to analyze public policy challenges. Students will apply these tools and models across multiple policy domains, including education, health, social welfare, criminal justice, and the environment. Through problem sets, current event analyses, and team projects, students will navigate questions such as: How does policy design incentivize individual behaviors and choices? How should we weigh the potential benefits of regulation against the costs? What are the promises and pitfalls of market-based reforms in government? And, how can public programs effectively dismantle, rather than reenforce, societal structural inequalities?

Course Format

The 3 hours and 40 minutes (4 credits) of designated class time will be split into:

- 2 hours in a synchronous Zoom meeting; and
- 1 hour and 40 minutes dedicated to individual and team asynchronous activities.

The technological tools for the course include: Zoom, Blackboard, and [Slack](#).

Required Materials

- Gruber, Jonathan. *Public Finance and Public Policy*. New York: Worth Publishers.*
- Other assigned papers are available either on Blackboard or through the [UAlbany library search function](#).

*To save money, students are welcome to purchase or rent an older edition of this textbook, such as the 2nd or 3rd edition, instead of the current edition (6th).

- RPAD 503 Principles of Public Economics

Other graduate-level or advanced undergraduate economics coursework may be acceptable substitution for 503, with instructor permission. Familiarity with the main sources of market failure – externalities, public goods, market power, and asymmetric information – is critical for this course.

Students should be proficient with the following types of tasks: using Microsoft Excel; solving algebraic problems; reading a statistical regression table; academic writing (with citations); and public speaking with slides.

Learning Objectives

At the end of the course, students should be able to:

1. Evaluate policies and programs based on their costs, benefits, incentive structures, and distributional impacts;
2. Delineate the roles of local, state, and federal levels of government – as well as private actors – in the provision of public services; and
3. Predict likely individual and collective behavioral responses to public policies.

Course Policies

Wellness

The health and wellbeing of students, to me, always takes higher priority than academic expectations. This is true at all times, but particularly so during a global pandemic. Please speak to me if you are struggling to meet course deadlines or if something comes up in your personal or professional life that requires you to miss class or assignments. I will work with you to develop flexible accommodations. I also encourage you to use available campus resources if needed:

- Mental health: [Counseling and Psychological Services](#).
- Food insecurity: [Purple Pantry](#)
- Sexual violence: [Advocacy Center](#)

Accommodations

Reasonable accommodations will be provided for students with documented physical, sensory, systemic, cognitive, learning and psychiatric disabilities. If you believe you have a disability requiring accommodation in this class, please notify the Director of the Disability Resource Center (Campus Center 130, 518-442-5490, DRC@albany.edu). That office will provide the course instructor with verification of your disability, and will recommend appropriate accommodations.

Attendance

Students should aim to attend every class. For any necessary absence, students should communicate with the instructor ahead of time, and coordinate with classmates to make up missed course material. Students are never required to have their video turned on in virtual classes, but are encouraged to turn on their video when they are comfortable doing so, especially for breakout rooms.

Office Hours

I am always available to help with course assignments and meet with students outside of class. Please use the following link to set up an "office-hours-style" meeting on Tuesday or Friday afternoons: <https://lucysorensen.youcanbook.me/>. This automatically adds an appointment to my calendar and provides a Zoom link. If you cannot find a time on the booking website that works for you, please email me to find an alternative time to meet.

Academic Integrity

Please familiarize yourself with university guidelines on academic integrity and conduct at https://www.albany.edu/graduatebulletin/requirements_degree.htm#standards_integrity. Plagiarism is a major offense and can receive severe consequences, from automatically failing the course to being expelled. If in doubt about acceptable use of sources, please ask.

Correct citations are one of the most important elements in avoiding plagiarism. When you use a source, make sure to both include in-text citations and create a bibliography using either the APA formatting style or Chicago Author-Date formatting style.

Grading Policies

Late work. Please speak to me if you ever need an extension due to personal, family, or medical circumstances. Most assignments are due one hour before class. Work turned in after this will receive a grade deduction of 5 percentage points, and then an extra 5 percentage points deducted for each additional day that passes after the original deadline.

Regrading. If you believe that an error has been made in the grading of your assignment, you may make a written appeal describing why you think the grade should be changed.

To be considered, this appeal should be emailed to me within two days of receiving your assignment back. On review, your grade may be lowered, increased, or remain the same.

Incompletes. Please see https://www.albany.edu/graduatebulletin/requirements_degree.htm#graduate_grades for the university policy on incomplete grades.

Course Assignments

Grading

Your grade for this course will comprise a weighted average of all weekly assignment, current events forum, and project grades, with the breakdown specified in the table below.

Component	Type	Points	Total
Applied projects	(team)	= 4 projects × 12 points each	48 points
Weekly assignments	(individual)	= 10 assignments × 2 points each	20 points
Weekly corrections	(individual)	= 10 assignments × 1 point each	10 points
Current events forum	(individual)	= 2 forums × 6 points each	12 points
Course participation	(individual)	= (forum × 5 pts) + (class × 5 pts)	10 points

Your final course grade will be calculated as the total point sum from the table above. These numerical scores will be converted to a final letter grade as follows, with no rounding:

Percent Grade	Letter Grade
93-100	A
90-92	A-
87-89	B+
83-86	B
80-82	B-
77-79	C+
73-76	C
70-72	C-
67-69	D+
63-66	D
60-62	D-
Below 60	E

Applied projects (48 points)

Working in teams is an essential lifelong skill. Four team projects throughout the semester will test student capabilities in applying analytical economic skills (such as incentive design, cost-benefit analysis, and public-private dynamics) to important policy issues. Teams will be prepare a written analytical report and for either providing an in-class presentation or acting as a panel of critics for another group's presentation. Students will gather and cite appropriate sources, provide a clearly-written summary with recommendations, and as appropriate supplement with quantitative analysis and/or economic modeling. The breakdown of component grades and more detail on expectations will be provided to students.

Weekly assignments (30 points)

Each week, you will individually complete a Blackboard assignment based on the readings. Each assignment will consist of some combination of multiple choice, practice problems, and/or short answer questions, which are intended to probe not only your topical knowledge from the readings (key models and terms), but also your deeper conceptual and mathematical understanding.

After individual submission, your team will meet at the beginning of class to discuss the answers together, and you have the opportunity to correct any multiple choice questions or mathematical problems and resubmit your assignment based on this team discussion.

In addition, your lowest score on the original (and corrected) weekly practice during the semester will be automatically dropped. You may either consider this a “free week” to skip the assignment without penalty, or you may use it as a way to boost your final grade.

Current events forum (12 points)

At two points during the semester, students will post a current events story that can relate to course concepts, write up a short analysis of the story, and pose a discussion question for teammates in a discussion forum. The first post will discuss a current national or international topic, and the second post will discuss a local or state topic. These will be due 4 days before class to allow adequate time for classmate discussion. More specific guidance and a rubric will be provided to students.

To prepare for this task, students should read online news sources every week (or read policy/social science blogs or listen to podcasts) and keep an eye out for relevant topics. Identifying reliable, non-partisan news and policy analysis sources can be a challenging task. Recommended policy / social science blogs include: Wonkblog, Upshot, Monkey cage, fivethirtyeight, City Lab, and Marginal Revolution. Recommended news sources include, but are not limited to, the following: Wall Street Journal, New York Times, The Economist, The Atlantic, BBC, Washington Post, Foreign Affairs, NPR, The Los Angeles Times, Forbes Magazine, The Guardian, The Christian Science Monitor.

Participation (10 points)

Students’ course participation scores comprise two components: (1) discussion forum participation; and (2) in-class participation. For discussion forum participation, students are expected to read posted articles and student summaries, respond thoughtfully in the forum, and read and react to other students’ responses. At the end of the course, a participation score will be calculated based on how many weeks the student fully participated in these forums and the quality and depth of typical responses.

Students will receive full credit for in-class participation if they regularly attend class on time, complete all readings, ask questions throughout the class period, engage in friendly classroom debate with classmates, and contribute fully in group activities. Students may ask the instructor at any point throughout the semester for feedback on the current status of their in-class or online participation grade.

Course Schedule

Please check the academic calendar for dates regarding adding, dropping, and withdrawing from the course: <https://www.albany.edu/registrar/fall-2020-academic-calendar.php>.

Week	Topic	Due	Readings
2/3	Choice Under Constraint	Weekly Practice #0	Syllabus Chapter 2 of Gruber, "Theoretical Tools of Public Finance."
2/10	Incentives and Behavioral Science	Weekly Practice #1	Gneezy, U., Meier, S., & Rey-Biel, P. (2011). When and Why Incentives (Don't) Work to Modify Behavior. <i>Journal of Economic Perspectives</i> , 25(4), 191-210. Chapter 6 of Grant, R. W. (2011). <i>Strings Attached: Untangling the Ethics of Incentives</i> . Princeton, NJ: Russell Sage Foundation and Princeton University Press. Balz, J., Sunstein, C., & Thaler, R. (2014). Choice Architecture. In E. Shafir, <i>The Behavioral Foundations of Public Policy</i> , 428-439. Kahneman, D. & Tversky, A. (1982). The Psychology of Preferences. <i>Scientific American</i> , 246(1), 160-173.
2/17	Redistribution and Welfare Policy	National/International Policy Forum (Team A) Weekly Practice #2	Ulbrich, H. H. (2011). Public Finance in Theory and Practice. Chapter 5: "Equity, income distribution, and the social safety net." Acemoglu, D. A. & Robinson, J. A. (2001). Inefficient Redistribution. <i>American Political Science Review</i> , 95(3), 649-661. Skip "The Basic Model" and "Specific Factors" sections. Bertrand, M., Mullainathan, S., & Shafir, E. (2004). A Behavioral-Economics View of Poverty. <i>The American Economic Review</i> , 94(2), 419-423.
2/24	Collective Behavior	Team Project #1: Conditional Cash Transfers Weekly Practice #3	Chapter 9 of Gruber, "Political Economy." Olson, M. (1990). The Logic of Collective Action. Chapter 1, pp. 1-21, 33-36 Ostrom, E. (1990). Governing the Commons: The Evolution of Institutions for Collective Action. Chapter 1.
3/3	NO CLASS THIS WEEK		

Week	Topic	Due	Readings
3/10	Cost-Benefit Analysis	National/International Policy Forum (Team B) Weekly Practice #4	Chapter 8 of Gruber, "Cost-Benefit Analysis." Boardman, A. E., Greenberg, D. H., Vining, A. R., & Weimer, D. L. Cost-Benefit Analysis: Concepts and Practice. Chapter 1, pp. 18-22 Chen, G. & Warburton, R. N. (2006). Do Speed Cameras Produce Net Benefits? Evidence from British Columbia, Canada. <i>Journal of Policy Analysis and Management</i> , 25(3), 661-678.
3/17	Environmental Regulation	National/International Policy Forum (Team C) Weekly Practice #5	Hussen, A. (2004). <i>Principles of Environmental Economics</i> . New York, NY: Routledge. Chapter 8: Economic valuation of environmental services. Porter, M. E. & van der Linde, C. (1995). Towards a New Conception of the Environment-Competitiveness Relationship. <i>Journal of Economic Perspectives</i> , 9(4), 97-118. Banzhaf, S., Ma, L., & Timmins, C. (2019). Environmental Justice: The Economics of Race, Place, and Pollution. <i>Journal of Economic Perspectives</i> , 33(1), 185-208.
3/24	Criminal Justice Policy	Team Project #2: Cost-Benefit Analysis Weekly Practice #6	Schelling, T. (1971). Economics and Criminal Enterprise. In <i>The Economics of Crime</i> . NY: John Wiley and Sons. Owens, E. (2019). Economic approach to "de-policing"
4/14	Program Evaluation	National/International Policy Forum (Team D) Weekly Practice #7	Chapter 3 of Gruber, "Empirical Tools of Public Finance" Leventhal, T., & Brooks-Gunn, J. (2003). Moving to Opportunity: an Experimental Study of Neighborhood Effects on Mental Health. <i>American Journal of Public Health</i> , 93(9), 1576-1582.
3/31	Social Insurance and Pensions <i>Guest Lecture: Gang Chen</i>	Weekly Practice #8	Chapter 12 of Gruber, "Social Insurance: The New Function of Government." The Economist. (2019). <i>America's Public-Sector Pension Schemes are Trillions of Dollars Short</i> .

Week	Topic	Due	Readings
4/7	Healthcare and Insurance <i>Guest Lecture: Ashley Fox</i>	National/International Policy Forum (Team D) Weekly Practice #9	Chapter 15 of Gruber, "Health Economics and Private Health Insurance." Chapter 16 of Gruber, "Medicare, Medicaid, and Health Care Reform." Read p. 1-15: Blumberg, L. J., Holahan, J., Buettgens, M., Gangopadhyaya, A., Garrett, B., Shartz, A., ... & Arnos, D. (2019). <i>From Incremental to Comprehensive Health Insurance Reform: How Various Reform Options Compare on Coverage and Costs</i> . Washington, DC: Urban Institute.
4/21	Local, State, and Federal Government	Local/State Policy Forum (Team B) Weekly Practice #10	Chapter 10 of Gruber, "State and Local Government Expenditures." Evans, W. N., & Owens, E. G. (2007). COPS and Crime. <i>Journal of Public Economics</i> , 91(1), 181-201.
4/28	Education Finance	Local/State Policy Forum (Team D) Weekly Practice #11	Chapter 11 of Gruber, "Education" Koski, W. S. & Hahnel, J. (2008). The Past, Present and Future of Educational Finance Reform Litigation. In H. F. Ladd and E. B. Fiskes <i>Handbook of Research in Education Finance and Policy</i> . Dynarski, S. & Scott-Clayton, J. (2013). Financial Aid Policy: Lessons from Research. <i>The Future of Children</i> , 23(1), 67-91.
5/5	Market-Based Reforms in Education	Team Project #4: Performance Pay Weekly Practice #12	Gill, B., Timpane, P. M., Ross, K. E., Brewer, D. J., & Booker, K. (2007). <i>Rhetoric Versus Reality: What We Know and What We Need to Know About Vouchers and Charter Schools</i> . RAND Corporation. Chapter 1: Family Choice and the Common School. Springer, M. (2009). "Rethinking Teacher Compensation Policies: Why Now, Why Again" In <i>Performance Incentives: Their Growing Impact on American K-12 Education</i> , 1-22.

Note: I am thankful to Professor Stephen Weinberg for consulting in the design of this class and whose original syllabus I have drawn from.