

# PADP 6950: Foundations of Policy Analysis

## Fall 2023

Department of Public Administration and Policy  
School of Public and International Affairs  
University of Georgia

**Instructor:** Felipe A. Lozano-Rojas, Ph.D.

**E-mail:** [flozano@uga.edu](mailto:flozano@uga.edu)

**Office Hours:** Thu 12:00pm - 2:00pm  $\implies$  (To be requested by Wednesday 6pm by mail)

**Class Hours:** Thu 7:00pm - 9:50pm

**Web:** [SPIA Profile](#)

**Course Cite:** [eLC Site](#)

**Class Room:** Baldwin H. 301

---

## Course Description

By what criteria is it acceptable for government (officials) to employ coercion, (hard or soft) or other incentives with the aim of changing the behavior of citizens? In most instances, policy analysts answer this question within the framework of welfare economics, the mechanics of markets and market failures. This is the case, because the exchange of goods and services by free individuals, under certain conditions can attain the most efficient outcomes.

Accordingly, this is a course in microeconomic analysis that provides broad exposure to the fundamental economic tools of policy analysis. While competitive markets are often efficient, there are many barriers to perfectly functioning markets that lead to the need for public policy. Ultimately, the goal of the course is to lead students to appreciate the economic method of thought - assuming rational agents respond predictably to incentives in order to allocate the scarce resources at their disposal as seems "best" to them - and how this method can be a widely useful tool for assessing the need for, and likely impact of, public policy.

Part of the goals for UGA-MPA students are that they understand the public policy process at the federal, state and local levels, including formulating, implementing and evaluating public policy. Within the context of this course, students should develop the ability to interpret and persuasively communicate information regarding policy alternatives through written materials. Additionally, students should analyze policy alternatives using quantitative and qualitative tools to evaluate decisions and explain potential ramifications for diverse constituencies.

Additionally, the MPA program at UGA teaches students to utilize various methods and analytical tools to gather, analyze and interpret data to provide effective reasoning for decision-making and policy creation. By the end of this course, students should learn to effectively inform the public and other stakeholders of decisions and initiatives through the presentation of data and research finding. Furthermore, they should learn to produce policy papers involving the synthesis of information, evaluation, and analysis of critical questions or problems currently facing the field of public administration and policy.

## Course Objectives

By the end of the course, student should understand:

1. Fundamental economic ideas of scarcity, opportunity cost, rationality and efficiency.
2. Utility, demand functions and consumer surplus
3. Consumer decision-making under uncertainty
4. Consumer intertemporal decision-making
5. Production functions, marginal costs, supply functions and producer surplus
6. Markets and how they work
7. Market structures of perfect competition and monopoly
8. How to compare social outcomes in term of (*Pareto*) efficiency and other relevant government goals.
9. Market failures and policy solutions: the case of information asymmetry, externalities and public goods.
10. Basic Game Theory: Strategic interactions and less than efficient outcomes.

In addition to the understanding of concepts, class during the class:

- Students will develop the ability to interpret and persuasively communicate information regarding policy alternatives through concise written documents.
- Students will explain how theories and concepts from economics can inform policy decisions, using an economic lens, and develop experience using economic tools to assess likely impacts of public policy.
- Students will demonstrate understanding of the public sector budgetary process, important decision makers, and components of budget development.
- Students will understand how budgets shape the optimal choice of economic agents, including individuals, firms and government.
- Students will be introduced to and practice various methods and analytical tools to analyze policy design and interpret data to provide effective reasoning for decision making and policy creation
- Students will learn approaches to inform the public and other stakeholders about prospective policy alternatives or retrospective program evaluation through the presentation of data and research findings.
- Students will produce research papers involving the synthesis of information, evaluation, and analysis of critical questions or problems currently facing the field of public administration and policy.

## Pre-requisites/Co-requisites

Although there is not a formal prerequisite, this class uses high school algebra and geometry to understand microeconomics and policy concepts. **You are expected to be familiar with solving simple equations, inequalities, (Cartesian) Coordinates systems, and geometry.**

## Optional Textbooks

The decision to purchase a textbook for the class is for the individual student to make. However, if you, as a student, struggle and the material is considerably foreign, I suggest the student reads chapters of GSL before class and gather questions. Varian is a more advanced textbook for students that want to further their knowledge.

- *Microeconomics* by Austan Goolsbee, Chad Syverson, and Steven Levitt (either edition)
- *Intermediate Microeconomics: A Modern Approach* by Hal R. Varian (any edition)

There will be additional readings and podcast distributed throughout the semester.

## Course Policies

### Coronavirus Information and Policies for the Class

We will follow an **in-person** methodology for this class without any restrictions. While class attendance is not mandatory, the likelihood of success without attending is substantially reduced. These are the current policies at the beginning of the semester, be attentive to university wide changes.

**UGA adheres to guidance from the University System of Georgia and the recommendations from Georgia Department of Public Health (DPH) related to quarantine and isolation. Since this may be updated periodically, we encourage you to review the latest guidance [here](#). Self isolation is the expectation for faculty, staff, and students who test positive for COVID-19:**

- Isolate for 5 days.
- If you have no symptoms or your symptoms are resolving after 5 days, you can leave your house and return to class.
- Continue to wear a mask around others for 5 additional days.

If you have been in close contact with someone who is COVID-positive, but you are not sick, CDC and [GDPH](#) urge you "...to monitor your health for symptoms of COVID-19 during the 10 days following the last time you were in close contact with a sick person with COVID-19."

### Attendance & Participation Policy

In general, I will not be taking attendance for this class with the exception of classes in which we have scheduled students participation, such as discussions, presentations, debates or exams. **While class attendance is not mandatory, the likelihood of success without attending is substantially reduced.**

## Non-Discrimination and Anti-Harassment Policy

"The University prohibits harassment of or discrimination against any person because of race, color, sex (including sexual harassment and pregnancy), sexual orientation, gender identity, ethnicity or national origin, religion, age, genetic information, disability, or veteran status by any member of the University Community (as defined below) on campus, in connection with a University program or activity, or in a manner that creates a hostile environment for any member of the University Community. Incidents of harassment and discrimination will be met with appropriate disciplinary action, up to and including dismissal or expulsion from the University." UGA Non-Discrimination and Anti-Harassment Policy may be accessed at the [Equal Opportunity Office](#) web page. Any person who feels that he or she has been the subject of prohibited discrimination, harassment, or retaliation should contact the Equal Opportunity Office (EOO) at (706) 542- 7912, or via email at [ugaooo@uga.edu](mailto:ugaooo@uga.edu).

## Prohibition on recording lectures

In the absence of written authorization from the UGA Disability Resource Center, students may **not** make a visual or audio recording of any aspect of this course. Students who have a recording accommodation agree in writing that they:

- Will use the records only for personal academic use during the specific course.
- Understand that faculty members have copyright interest in their class lectures and that they agree not to infringe on this right in any way.
- Understand that the faculty member and students in the class have privacy rights and agree not to violate those rights by using recordings for any reason other than their own personal study.
- Will not release, digitally upload, broadcast, transcribe, or otherwise share all or any part of the recordings. They also agree that they will not profit financially and will not allow others to benefit personally or financially from lecture recordings or other course materials.
- Will erase/delete all recordings at the end of the semester.
- Understand that violation of these terms may subject them to discipline under the Student Code of Conduct or subject them to liability under copyright laws.

## Preferred Name and Pronouns

Professional courtesy and sensitivity are especially important with respect to individuals and topics dealing with differences of race, culture, religion, politics, sexual orientation, gender, gender variance, and nationalities. Class rosters are provided to the instructor with the student's legal name. I am eager to address you by your preferred name and/or gender pronoun. Please advise me of this preference early in the semester so that I may make appropriate changes to my records.

## University Honor Code & Academic Honesty Policy

UGA Student Honor Code: "I will be academically honest in all of my academic work and will not tolerate academic dishonesty of others."

All academic work must meet the standards contained in "[A Culture of Honesty](#)." All students are responsible to inform themselves about those standards before performing any academic work. All students are expected to abide by the University Honor Code as found in A Culture of Honesty, which includes the following statement: "The University of Georgia seeks to promote and ensure academic honesty and personal integrity among students and other members of the University community. A policy on academic honesty (and procedural guidelines for adjudication of alleged violations of academic honesty) has been developed to serve these goals. Academic honesty means performing all academic work without plagiarizing, cheating, lying, tampering, stealing, receiving assistance from any other person or using any source of information that is not common knowledge (unless that assistance or use is authorized by the person responsible for supervising that academic work or fairly attributed to the source of assistance or information)."

Further details can be found at the following UGA site: (<https://honesty.uga.edu/>).

Lack of knowledge of the academic honesty policy is not a reasonable explanation for a violation. Questions related to course assignments and the academic policy should be directed to the instructor. Any violation will be reported to the Office of Academic Affairs.

## Accommodations for Disabilities

Students who require accommodations to participate in course activities or meet course requirements should contact the course instructor during regular office hours, by email or by appointment. To request academic accommodations due to a special need, you can also contact the Disability Resource Center, 114 Clark Howell Hall, 706-542-8719 voice, 706-542-7719 fax, or 706-542-8778. If you have a letter from Disability Services indicating you have a documented disability that requires academic accommodations, please present the letter to me as early as possible so we can discuss the accommodations you might need for class. If we do not meet in person to review the form (which can be found at <http://drc.uga.edu>) two weeks prior to a major assignment you will not be assigned any accommodation for the assignment.

## Mental Health and Wellness Resources

- If you or someone you know needs assistance, you are encouraged to contact Student Care and Outreach in the Division of Student Affairs at (706) 542-7774 or visit <https://sco.uga.edu/>. They will help you navigate any difficult circumstances you may be facing by connecting you with the appropriate resources or services.
- UGA has several resources for a student seeking:
  - [mental health services](#)
  - [crisis support](#)
- If you need help managing stress anxiety, relationships, etc., please visit [BeWellUGA](#) for a list of FREE workshops, classes, mentoring, and health coaching led by licensed clinicians and health educators in the University Health Center.
- Additional resources can be accessed through the UGA App.

## Course Structure

### Grading Policy

Class attendance is not required, though there is little prospect of success without it. The grade will count the assessments using the following proportions:

Assignments	Total Points
Weekly Homeworks	20
Midterm Exam	30
Paper 1 - Explain a Puzzle	5
Paper 2 - Policy Memo	15
Final Exam	30
<b>Total</b>	<b>100</b>

The above Total Points are translated into letter grades using the table below. Approximations start after consideration of the second decimal. For instance 89.95, will be B+, as after considering the second decimal the approximated number would be 89.9. On the other hand, 89.96 will be A-, as the approximated number would be 90 already once the second decimal is considered.

Letter	Total	Letter	Total	Letter	Total
A-	[90, 96)	A	[96, 100]		
B-	[80, 83)	B	[83, 87)	B+	[87, 90)
		C	[70, 76)	C+	[76, 80)
D-	[60, 63)	D	[63, 67)	D+	[67, 70)
F	60 and below				

### Weekly Homework Assignments

There will be weekly homework assignments, which will count for 20% of the course grade. These will be graded on a point scale (check plus, check and check minus). To obtain 100% grade you don't need ALL check pluses in your assignments but you need several, and they are not extra grade. No late assignments will be accepted, but your lowest grade will be dropped at the end of the semester. Unless otherwise stated, assignments can be completed in groups of no more than 3 people. This is a group assignment nevertheless, so working in groups is highly recommended. Turn in only one assignment for the group, with everyone's names clearly listed.

**All assignments have to be turned in one and only one .pdf or .doc file, reading as a regular document.** If you created figures, you need to import them into your document. As the semester advances it is recommended that students rely less in scanning hand made figures and more in digitally produced outputs.

### Two Exams

There will be two in-class exams, each counting for 30% of the course grade, for a total of 60% of the course grade. Any known scheduling problems should be brought to my attention as soon

as possible. If you miss the midterm exam without a pre-approved excuse or medical emergency, you will receive a zero. If you have an approved absence, then the final exam will count for 60% of the course grade. No make-up exam will be given.

To help students prepare for the exam, I will prepare a review problem set and I will assign it to students. **Turning these Practice Sets is voluntary** and they will count for 5% of the exam in question, only if the Practice Set grade helps the student.

## Two Papers

1. **Explain a puzzle:** This paper will count for 5% of the course grade. This paper should be no more than 400 words (one page). Your assignment is to use a principle, or principles, discussed in the course to explain some puzzling pattern of events or behavior that you personally have observed. Do not use complex terminology. Imagine yourself talking to a relative who has never had a course in economics. Do not use any algebra or graphs. You can include a few citations, but you need not include a bibliography. You are not expected to do a lot of research in support of your argument, although a relevant fact or two might help persuade you that your argument is correct. Your topic need not be important, but try to make it interesting. Your puzzle paper will be graded based on overall context and whether the puzzle is actually puzzling (paragraph 1), whether the economic reasoning is sound (paragraph 2), and on the clarity of the writing overall.
2. **Policy memo:** This paper will count for 15% of the course grade. The goal of the assignment is to provide a short (4 pages, single-spaced) economic evaluation of some existing or proposed policy. More detailed information on the assignment will be provided separately. An initial proposal will be due at the start of class on October 12; the final paper is due on November 27 (via eLC). Late papers will lose 20 percentage points for every day that they are late.

Within the final paper you should:

- i. assess the problem addressed by the policy,
- ii. describe the policy,
- iii. explain how the policy addresses the problem (important),
- iv. use economic reasoning in your explanations (most important). Address how does theory discussed in class informs the context? Underline if there are differences between general expectations (common knowledge) and theory predictions.
- v. provide at least one possible unintended consequence of the policy (important), and
- vi. offer one policy recommendation that directly follows from the explanations or consequences provided in the memo.
- vii. use numerical evidence from the research you make to advance your arguments (important).

## Class Schedule

Disclaimer: The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

Date	Topic	Due	Material
17-Aug	Introduction		Varian Ch. 1
24-Aug	Consumer choice		GSL Ch. 4
31-Aug	Demand		GSL Ch. 5 (skip 5.3)
7-Sep	Surpluses		GSL Ch. 3 (3.1, 3.4, 3.5)
14-Sep	Intertemporal choice and uncertainty		GSL Ch. 14
21-Sep	Asymmetric information and Review	Practice Set due	GSL Ch. 16
28-Sep	<b>Midterm Exam</b>		
5-Oct	Theory of the firm		GSL Ch. 6 (6.1-6.4)
12-Oct	Supply	Policy Memo proposal due	GSL Ch. 7 (skip 7.6) & 8.1, 8.2
19-Oct	Perfect competition and monopoly	Final Withdrawal (Oct 23)	GSL Ch. 8.4, 9, 10.1-10.3
26-Oct	<i>Writing class</i>		
2-Nov	Game Theory	Puzzle paper due	GSL Ch. 12.1-12.3
9-Nov	Welfare - Externalities		GSL Ch. 17.1-17.3
16-Nov	Welfare - Public Goods		GSL Ch. 17.4-17.5
23-Nov	<i>Thanksgiving</i>	Policy paper due (Nov 27)	
30-Nov	Review	Practice Set due	
7-Dec	<b>Final Exam</b> (tentative)		