

PADP 6950: Economic Foundations of Policy Analysis

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Classes: Thursdays, 6:15-9pm, Gwinnett Room 118

Drop-in hours: Mondays, 2-3pm, and by appointment

University of Georgia

Public Administration and Policy

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Description

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.

By the end of the course, student should understand:

- Fundamental economic ideas of scarcity, opportunity cost, and rationality
- Utility and consumer surplus
- Production functions, marginal costs, supply functions and producer surplus
- Markets and how they work
- Market structures of perfect competition and monopoly
- Market failures and policy solutions: the cases of externalities and public goods

Part of the goals for University of Georgia 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 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. Additionally, students should analyze policy alternatives using quantitative and qualitative tools to evaluate decisions and explain potential ramifications for diverse constituencies.

The MPA program at UGA also aims to teach 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 approaches to effectively inform the public and other stakeholders about prospective policy alternatives or retrospective program evaluation through the presentation of data and research findings. Furthermore, they should

develop the ability to interpret and persuasively communicate information regarding policy alternatives through concise written documents and oral presentations.

Optional Text

Microeconomics by Austan Goolsbee, Chad Syverson, and Steven Levitt (**Highly recommended!** Either edition)

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

Grading

Class attendance is not required, though there is little prospect of success without it.

Your overall course grade will be determined by the following rubric.

Assignments	Weight
1. Problem Sets	15
2. Policy Memo Project	20
3. Midterm Exam	30
4. Final Exam	35
TOTAL	100

At the end of the semester, letter grades will be assigned according to minimum cutoff numbers. In order to earn a given letter grade, your numerical average must be at least as high as the cutoff for that letter. No rounding. Below is the tentative list of cutoffs.

A: 94 A-: 90 B+: 87 B: 84 B-: 80
C+: 77 C: 74 C-: 70 D: 64 F: 0

At semester's end, any given cutoff may be lowered below the posted number above, but it will never be raised. Thus, this list represents the minimum numerical average you need to achieve in order to be assured of earning a particular letter grade.

Two Exams

There will be two **in class** exams, the midterm will count for 30% and the final (cumulative) will count for 35% 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 65% of the course grade. No make-up exam will be given.

Both exams will be open note, open book. **No devices with internet connectivity capabilities will be permitted.** Although these are open note/open book exams, in light of the time constraint I encourage you to study for them as you would any other closed book exam.

Weekly Problem Sets

There will be weekly homework problem sets, which will count for 15% of the course grade. No late assignments will be accepted, but your lowest grade will be dropped. Unless otherwise stated, homeworks can be completed in groups of no more than 3 people. Turn in one hard-copy assignment for the group, with everyone's names clearly listed. The deadline for submission will be the start of class time on the due date.

Policy Memo

This project will count for 20% of the course grade. The goal of the assignment is to provide a short (3 pages, single-spaced) economic evaluation of some existing or proposed policy. More detailed information on the assignment will be provided separately. An initial paper proposal will be due by class time (6:15pm) on April 3rd (via eLC); the final paper is due by class time on April 24th (via eLC). Late papers will lose 10 percentage points for every day that they are late.

Academic Integrity

All students are responsible for maintaining the highest standards of honesty and integrity in every phase of their academic careers. Any form of cheating, including plagiarism without a clear citation, will not be tolerated and will result in a zero on the assignment or exam, and possible additional action. The potential penalties for academic dishonesty are severe and ignorance is not an acceptable defense.

The UGA Student Honor Code states: "I will be academically honest in all of my academic work and will not tolerate academic dishonesty of other." A *Culture of Honesty*, the University's policy and procedures for handling cases of suspected dishonesty, can be found at <https://honesty.uga.edu/Academic-Honesty-Policy/>

Use of Generative AI

You are allowed to explore the use of generative artificial intelligence (GAI) tools for your work in this course, but use of GAI tools should be limited to providing support as you develop your thinking and knowledge base for an assignment. Note that you may not represent output generated by a GAI tool as your own work. Any such use of GAI output must be appropriately cited or disclosed, including quotation marks and in-line citations for direct quotes. Including anything you did not write in your assignment without proper citation will be treated as an

academic misconduct case. Suspected unauthorized assistance, plagiarism, or other violations of UGA's "A Culture of Honesty," will be reported to the Office of Academic Honesty. For full details on how to properly cite AI-generated work, please see the APA Style article, How to Cite ChatGPT (<https://apastyle.apa.org/blog/how-to-cite-chatgpt>).

If you are unsure where the line is between collaborating with GAI and copying from GAI, I recommend that you do not have your assignment and the GAI tool open on your device at the same time. Instead, take notes in your own words while you interact with the GAI tool, then use your notes to remind you of what you've learned and to inform your work. Never copy output from GAI tools into your assignment. Instead, use your interaction with the tool as a learning experience, then close the interaction down, open your assignment, and let your assignment reflect your improved understanding.

Finally, GAI is highly vulnerable to inaccuracy and bias. You should assume GAI output is wrong unless you either know the answer or can verify it with another source. It is your responsibility to assess the validity and applicability of any GAI output used.

Email

You are welcome to email me whenever you have a question or need clarification about something related to class. Note that you are expected to abide by professional standards in all written and spoken communications, including email; I will not respond to emails without a subject line or appropriate salutation. Please allow sufficient time (24 hours) for a response. I will do my best to reply as soon as possible but oftentimes I might be traveling, in day-long meetings, or engaged in other activities that take me away from email.

Disability Accommodations

If you plan to request accommodations for a disability, please register with the Disability Resource Center (DRC). The DRC can be reached by visiting Clark Howell Hall, by calling 706-542-8719 (voice) or 706-542-8778 (TTY), or by visiting <https://drc.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.

UGA Well-being Resources

UGA Well-being Resources promote student success by cultivating a culture that supports a more active, healthy, and engaged student community.

Anyone needing assistance is encouraged to contact Student Care & Outreach (SCO) in the Division of Student Affairs at 706-542-8479 or visit sco.uga.edu. Student Care & Outreach helps students navigate difficult circumstances by connecting them with the most appropriate resources or services. They also administer the Embark@UGA program which supports students experiencing, or who have experienced, homelessness, foster care, or housing insecurity.

UGA provides both clinical and non-clinical options to support student well-being and mental health, any time, any place. Whether on campus, or studying from home or abroad, UGA Well-being Resources are here to help.

- Well-being Resources: well-being.uga.edu
- Student Care and Outreach: sco.uga.edu
- University Health Center: healthcenter.uga.edu
- Counseling and Psychiatric Services: caps.uga.edu or CAPS 24/7 crisis support at 706-542-2273
- Health Promotion/ Fontaine Center: healthpromotion.uga.edu
- Disability Resource Center and Testing Services: drc.uga.edu

Additional information, including free digital well-being resources, can be accessed through the UGA app or by visiting <https://well-being.uga.edu>.

Schedule

The following is a tentative schedule of the topics to be covered in each class; deviations announced to the class by the instructor may be necessary.

Jan 9	Introduction		Varian Ch. 1
Jan 16	Consumer choice		GSL Ch. 4
Jan 23	Demand		GSL Ch. 5 (all sections except 5.3)
Jan 30	Surpluses		GSL Ch. 3 (3.1, 3.4, 3.5)
Feb 6	Intertemporal choice and uncertainty		GSL Ch. 14
Feb 13	Asymmetric information		GSL Ch. 16
Feb 20	<i>No class - cancelled</i>		
Feb 27	<i>Midterm Exam</i>		
Mar 6	<i>No class (Spring break)</i>		
Mar 13	Theory of the firm		GSL Ch. 6 (6.1-6.4)
Mar 20	Supply		GSL Ch. 7 (skip 7.6) & 8.1, 8.2
Mar 27	Perfect competition and monopoly		GSL Ch. 8.4, 9, 10.1-10.3
Apr 3	Game Theory	Policy paper proposal due	GSL Ch. 12.1-12.3
Apr 10	Welfare		GSL Ch. 15 (skip 15.4, 15.5)
Apr 17	Externalities		GSL Ch. 17.1-17.3
Apr 24	Public Goods	Policy paper due	GSL Ch. 17.4
May 1	<i>Final Exam</i>		