

***PPA 220B – APPLIED ECONOMIC ANALYSIS II***

**GRADUATE PROGRAM IN PUBLIC POLICY AND ADMINISTRATION  
CALIFORNIA STATE UNIVERSITY, SACRAMENTO  
SPRING 2018**

Professor: Rob Wassmer, Ph.D.

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Home-Page: <http://www.csus.edu/indiv/w/wassmerr/>

Class Location: Thursday, 6:00 p.m. - 8:50 p.m., 3004 ARC

Office: Room 3037, Tahoe Hall

Office Phone: (916) 278-6304

Office Hours: Monday and Thursday, 4:00 – 5:30 p.m.; and by appointment if necessary

Prerequisite: Grade of B- or higher in PPA 220A

Required Texts:

(1) “Cost-Benefit Analysis for Public Sector Decision Makers,” 1999, Diana Fugitt and Shanton J. Wilcox, Quorum Books; purchase at [Amazon](#) (\$70 used on Dec. 24, 2016) or any used book internet seller.

There will also be supplemental readings chosen by myself and student groups.

SacCT:

This course requires that you have access to the World Wide Web and Canvas. On Canvas I will post an outline of material covered in each meeting. These will be available by the Tuesday evening before the class meets. Your grades will also be accessible through Canvas.

Course Objectives:

At the end of PPA 220B, a student that attends all meetings will:

- (1) Understand the basic process of how to conduct a benefit cost assessment (BCA) and have a working knowledge of some of the specific techniques necessary to do it.

- (2) Learn to apply the concepts of benefit-cost assessment (BCA) to a particular California public policy (for example High Speed Rail) and to appreciate this policy tool's relevance to gaining a better understanding of how to structure a policy intervention.
- (3) Be able to apply a specific public policy "tool" (Munger's Triangle, Government Failure, Comparative Institutional Analysis, Microeconomic Based Market Analysis, Market Failure Approach, BCA, etc.) to a California relevant public policy concern to gain a better understanding of how "best" to deal with it.
- (4) Gain a greater comfort in your ability to make a public presentation and engage in a public discussion on a public policy topic.
- (5) Explore further how the framing of a policy problem in terms of "what is fair" or "what is efficient" results in the choice of different "best" solutions.
- (6) Compose a white paper on a policy problem.

This course exposes you to the basic study and application of economics and BCA to public policy applications specific to California. You will learn and apply theoretical concepts; however, keep in mind that the goal in doing so is to increase your ability to better understand, analyze, and critique existing and proposed public policies.

Method:

This class will have two distinct halves. The first half covers BCA for public policy formulation and evaluation. I will be responsible for this in the form of lectures, classroom discussions, and homework assignments. The details on this are in meetings one (Jan. 25) through nine (March 29) described below. **For each of the BCA classes you will need to bring your own laptop with Excel installed (this includes our first meeting). If you do not have this, please arrange to share with another student.**

For the second half of the course, I am turning it over to you to practice what Mintrom described in his book's Chapter 6 as "Presenting Policy Advice." Each group of four students will be responsible for two class meetings of coverage on one of five policy topics: (1) Internet, (2) Traffic, (3) Governance, (4) K-12 Educ, and (5) Housing Affordability. The students assigned to each and the Bardach policy question which is the basis of your inquiry is below.

**1. (Timothy I., Kristyne V., Sarah M., Leefong M.) Internet neutrality is under threat in California, and there are too many Californians that do not have access to the Internet through a personal computer at home.**

**2. (Gabby E., Monia A., Amelia G., Glenn W.) There is still too much traffic congestion in many urban areas in California at peak-load travel times.**

**3. (Jeremiah R., John G., Christina N., Mary Kate J.) There are too many CA residents feeling disenfranchised from their representative govt.**

**4. (Horacio G., Katelyn M., Alex B., Rotce H.) There are too many California children not receiving the “quality” K-12 public education guaranteed them through the state’s constitution.**

**5. (Puneet B., Alina P., Monica M., Nadia P.) There are too many very-low, to low, income people in California who are spending more than half of their income to live in the least expensive housing available in a city (region) in California.**

As noted in the schedule below, each group meets with me for an hour before class on assigned dates to discuss their own presentations in class, and the formulation of an outside speaker panel. If we cannot finish this discussion in an hour, we will continue it at the end of class.

If there are concepts or ideas covered in a Thursday night session that you did not understand, it is important to your overall success that you get these misunderstandings resolved before the next time we meet. You can do this by talking to your fellow classmates (I encourage you to form study groups or electronic study networks), visiting me in my Monday or Thursday office hours, sending an e-mail question to me at [rwassme@csus.edu](mailto:rwassme@csus.edu), or phoning me at 278-6304. My promise to you is that if I am not in my office, I will respond to your Monday through Friday e-mail or phone call within 24 hours.

Ask questions, comments, and discussion about material assigned for a Thursday night class during that class. In office hours, I am pleased to discuss a suggestion on pedagogy, economics, and public policy in general, the PPA/ULD Program, and/or your career plans. To insure an adequate participation grade, please plan to stop by to visit me at least once during my office hours. This is especially important this semester, so I can offer personal advice on your PowerPoint presentation.

Students will need to come well prepared to class in the form of completing all reading assignments, looking over my notes, and being prepared to participate in the class discussion. I will not hesitate to call on students who do not voluntarily participate.

#### Twitter:

We will again use Twitter to stimulate thought on the topics covered in class and to relate to contemporary events that arise throughout the semester. I evaluate your participation as part of the overall participation grade I assign you. Some guidelines to follow: (1) post at least two tweets (but no more than five) on BCA and respond to at least two tweets on BCA from others (but no more than five), (2) post at least two tweets (but no more than five) on the specific policy area you are covering and respond to at least two other policy-area Tweets (but no more than six) on a policy area you are not covering. Remember, I evaluate these in terms of both quality and quantity.

Grading:

The grade you receive in this course comes from five different components. The first component counts 35 percent and is the average of grades assigned in ten of the 14 weekly homework (HW) assignments from the BCA material I will cover. The first homework assignment is due at our first meeting and I will get it to you at least two weeks before scheduled to meet. HW assignments after that will be at end of notes from previous class. I commit to having all HW assignments posted on SacCT by at least the Friday evening before they are due. **Note that the person completing them can only turn in a HW assignment on the night they are due in paper form. I will allow you to miss four HW assignment/class without punishment by only using the highest grades you received on ten of the fourteen assignments.**

The second component of your course grade counts 20 percent and is my evaluation of your PowerPoint class presentation. The third component of your grade counts 10 percent and is my evaluation of your group's handling of the outside expert panel presentation. The fourth counts 20 percent and is my evaluation of your final policy white paper. The fifth component of your overall grade counts 10 percent and is based upon the grade I assign for your participation. You must complete all the first four components of grading to receive a passing grade in this class. Thus:

$$\text{Course Grade} = 0.35 * (\text{average of 10 HW assignments}) + 0.20 * (\text{evaluation of your PowerPoint class Presentation}) + 0.10 * (\text{evaluation of your Outside Expert Panel Presentation}) + 0.20 * (\text{evaluation of your final white paper}) + .15 * (\text{evaluation of your classroom and Twitter participation})$$

See the end of to this syllabus for the rubrics that I will use for grading your presentations and your white paper.

Where relevant, grades are based on the following table:

<u>Percent Correct</u>	<u>Letter Grade</u>	<u>Number Grade</u>
100-97	A+	4.3
96-93	A	4.0
92-89	A-	3.7
88-85	B+	3.3
84-81	B	3.0
80-77	B-	2.7
76-73	C+	2.3
72-69	C	2.0
68-65	C-	1.7

64-60	D	1.0
<60	F	0.0

### Academic Honesty

When you do any writing for this class, or any class at Sacramento State, it is important that you are aware of what plagiarism is, and how its practice can become grounds for dismissal from the university. Details are available at the [University Policy Manual](#). The following is also helpful:

*Plagiarism is a form of cheating. At Sacramento State plagiarism is the use of distinctive ideas or works belonging to another person without providing adequate acknowledgement of that person's contribution. Regardless of the means of appropriation, incorporation of another's work into one's own requires adequate identification and acknowledgement. Plagiarism is doubly unethical because it deprives the author of rightful credit and gives credit to someone who has not earned it. Acknowledgement is not necessary when the material used is common knowledge. Plagiarism at Sacramento State includes but is not limited to:*

- 1. The act of incorporating into one's own work the ideas, words, sentences, paragraphs, or parts thereof, or the specific substance of another's work without giving appropriate credit thereby representing the product as entirely one's own. Examples include not only word-for-word copying, but also the "mosaic" (i.e., interspersing a few of one's own words while, in essence, copying another's work), the paraphrase (i.e., rewriting another's work while still using the other's fundamental idea or theory); fabrication (i.e., inventing or counterfeiting sources), ghost-writing (i.e., submitting another's work as one's own) and failure to include quotation marks on material that is otherwise acknowledged; and*
- 2. Representing as one's own another's artistic or scholarly works such as musical compositions, computer programs, photographs, paintings, drawing, sculptures, or similar works.*

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### **Schedule:**

This class meets 15 times throughout the semester. The readings for each meeting are below.

**Meeting 1 (Jan 25)**

FugWil (Chapter 1) - A History of Application

[Red Tape Rising](#)

[Evaluating the Trump Administration's Regulatory Reform Program](#)

FugWil (Chapter 2) - The Decision Maker, the Analyst, and Cost-Benefit Analysis

FugWil (Chapter 3) - Policy Advocates and Adversaries

FugWil (Chapter 4) - Economics and Cost-Benefit Analysis

[Intro to CBA](#)

**Meeting 2 (Feb. 1)**

FugWil (Chapter 5) - Economic Valuation of Individual Preferences

FugWil (Chapter 6) - Who is Society?

FugWil (Chapter 7) - With and Without Analysis

FugWil (Chapter 8) - Aggregate Benefits and Costs

[Pew-MacArthur Results First Initiative](#)

[Excel Cost Benefit Example](#)

**Meeting 3 (Feb. 8)**

FugWil (Chapter 9) - Present Value of Benefits and Costs Over Time

FugWil (Chapter 10) - Decision Criteria

FugWil (Chapter 11) - Discount Rate

[CBA Discounting](#)

[How Should Benefits and Costs Be Discounted in an Intergenerational Context?](#)

[WA State Institute for Public Policy](#)

**Meeting 4 (Feb. 15)**

***5 pm Discussion with Internet Group***

FugWil (Chapter 12) – Inflation

FugWil (Chapter 13) - Time Horizon

**[Putting A Price Tag on Your Descendants](#)**

FugWil (Chapter 14) - Uncertainty and Risk

**[Why Preschool Can Save The World](#)**

FugWil (Chapter 15) - Principles of Cost-Benefit Analysis

**Meeting 5 (Feb. 22)**

***5 pm Discussion with Traffic Group***

FugWil (Chapter 16) - Identifying Benefits and Costs

FugWil (Chapter 17) - Market Valuation

FugWil (Chapter 18) - Contingent Valuation

**[Valuation of Ecosystem Services: Contingent Valuation](#)**

**[Contingent Valuation: A Practical Alternative when Prices Aren't Available](#)**

FugWil (Chapter 19) - Travel Cost Method

**[Valuation of Ecosystem Services: Travel Cost Method](#)**

**Meeting 6 (March 1)**

***5 pm Discussion with Governance Group***

FugWil (Chapter 20) - Hedonic Pricing Method

**[Valuation of Ecosystem Services: Hedonic Pricing Method](#)**

FugWil (Chapter 21) -Valuation of Human Life

**[Is it Moral to Create Markets in Human Health and Lives?](#)**

FugWil (Chapter 22) - Cost-Effectiveness Analysis

David Cutler, “Pricing the Priceless,” in *Your Money or Your Life* (PDF @ SacCT) or [Amazon](#) if interested in reading more on health policy/economics

[Why We Must Ration Health Care](#)

**Meeting 7 (March 8)**

***5 pm Discussion with K-12 Education Group***

FugWil (Chapter 23) - Principles for Identifying and Valuing Benefits and Costs?

[Critique of Cost-Benefit Analysis, and Alternative Approaches to Decision-Making](#)

[EconTalk: Pindyck on Climate Change](#)

[The Economics of Global Climate Change](#)

[California's climate fight could be painful — especially on job and income growth](#)

[On climate, a rough road ahead for California](#)

[California is about to find out what a truly radical climate policy looks like](#)

**Meeting 8 (March 15)**

***5 pm Discussion with Housing Affordability Group***

[Transportation Benefit-Cost Analysis](#)

[Stadiums: Last Week Tonight with John Oliver](#)

Wassmer, Ong, and Propeter: “Suggestions for the Needed Standardization of Determining the Economic Impact of Professional Sports” (PDF @ SacCT)

[What’s My Multiplier?](#)

Wassmer and Fesler, “A Benefit Cost Analysis on the Use of Fire Barriers in Upholstered Furniture,” (PDF @ SacCT)

**Meeting 9 (March 29)**

[EconTalk: Bent Flyvbjerg on Megaprojects](#)

[What You Should Know About Megaprojects and Why: An Overview](#)



[2014 California High-Speed Rail Benefit-Cost Analysis](#)

[California High Speed Rail Project Greenhouse Gas \(GHG\) Emissions: A Dynamic Impact and Cost Analysis](#)

**Meeting 10 (April 5)**

[Reading: PPIC, Does Broadband Boost Economic Development?](#)

**Topic: Internet**

6-6:30: Student 1 Presentation  
6:30-7: Student 2 Presentation  
7-7:30: Student 3 Presentation  
7:30-7:45: Break  
7:45-8:15: Student 4 Presentation  
8:15-8:45: Discussion

**Meeting 11 (April 12)**

[Reading: Brookings Institution, Traffic: Why It's Getting Worse, What Government Can Do](#)

**Topic: Congestion**

6 - 6:30: Student 3 Presentation  
6:30 - 7: Student 4 Presentation  
7 - 7:15: Break  
7:30-8:50: Outside Expert Panel Discussion (Internet)

**Meeting 12 (April 19)**

[Reading: PPIC, California's Political Geography](#)

**Topic: Governance**

6-6:30: Student 1 Presentation  
6:30-7: Student 2 Presentation  
7-7:30: Student 3 Presentation  
7:30-7:45: Break  
7:45-8:15: Student 4 Presentation  
8:15-8:45: Discussion

**Meeting 13 (April 26)**

[Reading: LAO, An Overview of the LCFE](#)

**Topics: Governance and K-12 Education**

6 - 7:30: Outside Expert Panel Discussion (Governance)  
7:30 - 7:45: Break  
7:45 - 8:15: Student 1 Presentation (K-12 Education)  
8:15 - 8:45: Student 2 Presentation

**Meeting 14 (May 3)**

**Topic: K-12 Education**

6 - 6:30: Student 3 Presentation  
6:30 - 7: Student 4 Presentation  
7 - 7:15: Break  
7:30-8:50: Outside Expert Panel Discussion (Internet)

**Meeting 15 (May 10)**

[Reading: LAO, California's High Housing Costs: Causes and Consequences](#)

**Topic: Housing Affordability**

6-6:30: Student 1 Presentation  
6:30-7: Student 2 Presentation  
7-7:30: Student 3 Presentation  
7:30-7:45: Break  
7:45-8:15: Student 4 Presentation  
8:15-8:45: Discussion

**Final (May 17)**

*Readings posted later*

**Topic: K-12 Education**

6:00: White Paper Due  
6 – 7:30: Outside Expert Panel Discussion

Presenter Name: \_\_\_\_\_

**Grading Rubric for Student PowerPoint Presentations**

**PPA 220B**

**Spring 2017**

Excellent = 10, Good = 9, Acceptable = 8, Needs Improvement = 7, Poor = 6, Absent = 0

<b>Required Content</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>6</b>	<b>0</b>
Clarity/organization in presenting material through PowerPoint (no more than 20 slides used)						
Ability to engage the audience in discussion						
Handling of questions						
Ability to stay within the allotted time frame and cover material effectively (20 minutes for PowerPoint, 10 minutes for discussion)						
“Comfort” level displayed in public speaking						
Command of the material / appropriate knowledge of the subject (Five times other values)	<b><u>50</u></b>	<b><u>45</u></b>	<b><u>40</u></b>	<b><u>35</u></b>	<b><u>30</u></b>	<b><u>0</u></b>

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**Total score (100 possible)**

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Comments (Three Positive and One Area to Work On):

1.

2.

3.

4.

## White Paper Assignment

**PPA 220B – Spring 2018 – Professor Rob Wassmer**

**Due May 17, 2018 in Word form**

**One Grade Deduction for Every Day Late**

**Submit an Electronic Copy to [rwassme@csus.edu](mailto:rwassme@csus.edu)**

### Overview

You are to write no more than an eight-page (not counting cover page and references), typed, and double-spaced (11 Times New Roman Font, one-inch margins White Paper) on your chosen policy topic in a manner described below.

Within your policy topic, you will cover one chosen area that not duplicated by someone else in your group. When I meet with you, we will discuss what these will be.

I will use the rubric contained on the next page to score your assignment and assign it a grade. Pay careful attention to what this rubric is asking for and the further instructions offered below.

### Instructions

You should structure your White Paper as an essay with an appropriate cover page, introductory section that describes what is in the essay, section headings that cover the requested material, and a concluding section. You will need a reference list at the end and **citations must be in [APA style](#)**. Include diagrams and references in body of paper. I will not read beyond eight pages. (Your cover page and reference list are not part of this eight-page limit.) Other than these constraints, including the mandatory components described below, the remaining form of the write up is up to you. Include diagrams and in body of paper.

Name: \_\_\_\_\_

**Grading Rubric for Final Policy White Paper  
PPA 220B, Spring 2017**

Excellent = 10, Good = 9, Acceptable = 8, Needs Improvement = 7, Poor = 6, Absent = 0

<b><i>Required Content</i></b>	<b><i>10</i></b>	<b><i>9</i></b>	<b><i>8</i></b>	<b><i>7</i></b>	<b><i>6</i></b>	<b><i>0</i></b>
<b>Development and organization:</b> appropriate introduction and conclusion, organization clearly described in introduction and done as stated, appropriate headings for sections						
<b>Writing mechanics:</b> grammar, spelling, word choice, and sentence structure						
<b>Presentation:</b> appropriate and attractive format						
<b>Citations:</b> accurate citations and listing of references using APA style						
<b>Figures/diagrams/charts:</b> minimum of three						
<b>Command of the material/knowledge of the subject</b> (Five times other values): how well do you cover the approach assigned to your section (that is representing what others have written about it and in reaching your own conclusions)	<b><u>50</u></b>	<b><u>45</u></b>	<b><u>40</u></b>	<b><u>35</u></b>	<b><u>30</u></b>	<b><u>0</u></b>

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**Your Total Score (100  
Possible)**

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**GRADE**