Welcome. I am Prof. Jeffrey S. Zax. This is Economics 4231, *Applied Economic Analysis and Public Policy*.

**Course description:**

This course applies economic analysis to current issues of public policy in the State of Colorado. It begins with a brief review of the basic principles of public finance and the economic justifications for government action. It then examines the structure and procedures of the Colorado State Legislature. During the remainder of the semester, students individually choose current legislative issues, review relevant economic literature and apply the implications of that literature through briefing papers, in-class presentations and testimony at legislative hearings.

This course explores the challenges of integrating informed economic analysis into the legislative process. It allows students who are interested in issues of public policy to learn both about the economic analysis that is relevant to those issues and to apply what is relevant to the process of determining public policy. Although issues of public policy are central to many courses in the Economic Department, there is no other course in the Department that engages the public policy process directly. That engagement will be valuable to the many among our students who will be active in public policy subsequent to graduation, either through their employment or as citizens. This course should also be of benefit to the State of Colorado, because it should improve the quality and consistency of economic analysis available to the State Legislature.


This course will meet on Thursdays from 3:30 p.m. until 6:00 p.m. throughout the semester. It will meet in Guggenheim 205 on 19 January and 23 February. On all other class dates, it will meet in Economics 5. I will hold regular office hours between 1:30 p.m. and 3:30 p.m. on Tuesdays and between 11:00a.m. and 12:00p.m. on Thursdays in Economics 111, my office. Appointments may be made for meetings at other times, if these are inconvenient.
Course requirements:

Performance in this course will be judged on the basis of six instruments. A midterm examination, worth 10% of the final grade, will take place on 16 February. The final examination will be replaced by a final paper, again worth 10% of the final grade. This paper will summarize and analyze the experience of the semester in a maximum of five pages. It will be due at 5p.m. on Monday, 7 May.

For the remaining 80% of the course, each student will be responsible for choosing four issues before the Colorado General Assembly (the formal name of the Colorado legislature) during the course of the semester. The assignment for each of these issues will consist of three components.

The first component will be a briefing paper of no more than five pages. The student will read the relevant literature and summarize it in language and figures that would convey the essence of the material to a general audience. Each of these papers will be worth 10% of the final grade. Due dates will be determined according to the General Assembly schedule for each issue.

These papers must be type-written, double-spaced, and with conventional margins. Papers that exceed the maximum lengths, either in physical length or because of compressed format, will be penalized. They must be submitted to me electronically at the email address above in the Adobe .pdf format. The computers in the computer lab in the basement of the Economics Building can create .pdf files from Word files. Make sure that you arrange to convert your papers to .pdf format before the deadline for submission. Speak with me in advance if you anticipate difficulty with this requirement. Only .pdf files will be accepted.

The second component of each issue assignment will consist of a testimony presentation. This presentation will condense the associated briefing paper into a five-minute oral presentation, elaborated as appropriate in order to constitute effective oral communication. This presentation will take place in class. Each of these presentations will be worth 8% of the final grade. Presentation dates will be determined according to the General Assembly schedule for each issue.

The third component of each issue assignment will consist of confirmed distribution of the briefing paper to appropriate members of the General Assembly. Confirmation will consist of a list of these members, an indication of the method by which the briefing paper was delivered to each, and a signed attestation to the fact of distribution by the student. Each confirmed distribution will be worth 2% of the final grade. Distribution dates will be determined according to the General Assembly schedule for each issue.

In addition, students will be required to present verbal testimony in person to the General Assembly. As a consequence of the difficulty of coordinating Assembly and student schedules, this requirement will apply to any two of the four issues analyzed by each student. If a student offers testimony on only one issue, that student will forfeit 10% of the potential final grade. If a student offers no testimony, that student will forfeit 20% of the potential final grade.
Excuses for course requirements will be granted only under extraordinary circumstances. If granted, the excused points will be reallocated to subsequent requirements. The course as a whole is valued at 100 points. The score attained by each student, evaluated relative to those of other students and to the score which would be attained by an intelligent student of economics at this level, will determine final letter grades.

**Course resources:**


The remaining pamphlets, assigned for 2 February, may be obtained from the webpage for this lecture on the course website: [http://www.colorado.edu/Economics/Zax/Econ4231/spring12/webpages/econ4231.html](http://www.colorado.edu/Economics/Zax/Econ4231/spring12/webpages/econ4231.html). Additional readings may be assigned at my discretion. Students will be responsible for identifying readings that are relevant to their individual topics.

**Tentative schedule:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Lecture title, readings and assignments</th>
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<tbody>
<tr>
<td>19 January</td>
<td><strong>Introduction and normative local public finance</strong></td>
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<tr>
<td></td>
<td>Readings:</td>
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<tr>
<td></td>
<td>• Rosen and Grayer, chapters 4, 5 and 8</td>
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<tr>
<td>26 January</td>
<td><strong>Taxation and positive local public finance</strong></td>
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<tr>
<td></td>
<td>Readings:</td>
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<tr>
<td></td>
<td>• Rosen and Grayer, chapters 14-16, 7, 9, 10 and 13</td>
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<tr>
<td>2 February</td>
<td><strong>Field trip to Colorado State Capital</strong></td>
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<td>Readings:</td>
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<td></td>
<td>• “An Overview of the Legislative Process”</td>
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<td></td>
<td>• “The State Budget Process: A Staff Perspective”</td>
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<tr>
<td></td>
<td>• “Making Your Case: How to Win in the Legislature”, the National Conference of State Legislatures, 2005.</td>
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• The website of the Colorado General Assembly:
  http://www.leg.state.co.us/
Assignment:
• Choose first issue

9 February  Government structure and legislatures
  • Rosen and Grayer, chapters 6, 22

16 February  Mid-term examination on lecture and reading material

23 February  Literature searches in Economics

1 March  Discussion of legislative calendar, individual presentations
  Readings:
  • The website of the Colorado General Assembly:
    http://www.leg.state.co.us/

8 March  Discussion of legislative calendar, individual presentations
  Readings:
  • The website of the Colorado General Assembly:
    http://www.leg.state.co.us/

15 March  Discussion of legislative calendar, individual presentations
  Readings:
  • The website of the Colorado General Assembly:
    http://www.leg.state.co.us/

22 March  Discussion of legislative calendar, individual presentations
  Readings:
  • The website of the Colorado General Assembly:
    http://www.leg.state.co.us/

5 April  Discussion of legislative calendar, individual presentations
  Readings:
  • The website of the Colorado General Assembly:
    http://www.leg.state.co.us/

12 April  Discussion of legislative calendar, individual presentations
  Readings:
  • The website of the Colorado General Assembly:
    http://www.leg.state.co.us/

19 April  Discussion of legislative calendar, individual presentations
  Readings:
26 April  Discussion of legislative calendar, individual presentations
Readings:
• The website of the Colorado General Assembly:
  http://www.leg.state.co.us/

3 May  Summary presentations

University policies:

The University adheres to the standards for student privacy rights and requirements as stipulated in the Federal Rights and Privacy Act (FERPA) of 1974.¹ Campus policy regarding disabilities requires that faculty adhere to the recommendations of Disability Services. In addition, campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly accommodate all students who, because of religious obligations, have conflicts with scheduled examinations, assignments or required attendance. Any student eligible for and needing academic adjustments or accommodations because of disability or religious practice should arrange to meet with me immediately. Those with disabilities should immediately submit a letter from Disability Services describing appropriate adjustments or accommodations.²

Students and faculty share responsibility for maintaining an appropriate learning environment. All are subject to the University’s polices on Sexual Harassment and Amorous Relationships.³ Students who fail to adhere to appropriate behavioral standards may be subject to discipline. Faculty have the professional responsibility to treat students with understanding, dignity and respect, to guide classroom discussion and to set reasonable limits on the manner in which

¹ A summary is available at http://registrar.colorado.edu/regulations/ferpa_guide.html.

² University polices regarding religious practice are available at http://www.colorado.edu/policies/fac_relig.html. University policies regarding disabilities are available at http://www.colorado.edu/disabilityservices. Disability Services can be contacted by telephone at 303-492-8671, or in person at Willard 322.

³ University policies regarding Sexual Harassment and Amorous Relationships are available at http://www.colorado.edu/odh/. The Office of Discrimination and Harassment can be reached by telephone at 303-492-2127. The Office of Judicial Affairs can be reached at 303-492-5550.
students express opinions. I am happy to discuss any issues of individual or group treatment in office hours or by appointment.

All students of the University of Colorado at Boulder are responsible for knowing and adhering to this institution’s policy regarding academic integrity. Cheating, plagiarism, fabrication, lying, bribery, threatening behavior and assistance to acts of academic dishonesty are examples of behaviors that violate this policy. Ordinarily, a student engaged in any act of academic dishonest will receive a failing grade for the course. In addition, all incidents of academic misconduct shall be reported to the Honor Code Council. Depending on its findings, students who are found to be in violation of the academic integrity policy will be subject to non-academic sanctions, including but not limited to university probation, suspension, or expulsion.

4 University policies regarding classroom behavior are available at http://www.colorado.edu/policies/classbehavior.html and at http://www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

5 The Honor Code Council can be contacted by email at honor@colorado.edu or by telephone at 303-725-2273. Additional information regarding the University Honor Code is available at http://www.colorado.edu/policies/honor.html and at http://www.colorado.edu/academics/honorcode/.