

University of Colorado at Boulder
Department of Economics

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Economics 4231
Tentative Syllabus and Schedule
17 November 2012

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 an examination of the structure and procedures of the Colorado General Assembly (the official name of the Colorado State legislature). It continues with parallel discussions of the basic principles of public finance and the economic justifications for government action, and the contents of specific legislative bills. Throughout 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. The semester will conclude with a cooperative project in which we rate the economic content of the bills considered during the session, and distribute these ratings to the Assembly and the public.

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 General Assembly.

This course will meet on Thursdays from 3:30 p.m. until 6:00 p.m. throughout the semester. It will meet in Muenzinger E114. I will hold regular office hours between 2:00 p.m. and 4:00 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 prerequisites:

This course requires previous completion of Economics 3070, Intermediate Microeconomic Theory, Economics 3080, Intermediate Macroeconomic Theory, and Economics 3818, Introduction to Statistics With Computer Applications, or their equivalents. These prerequisites will be enforced. In addition, enrollment requires my permission. If you wish to enroll, contact me at the email address above.

Course requirements:

Performance in this course will be judged on the basis of six instruments. A midterm examination will examine the material in the formal lectures and readings. It will take place on 14 March, and be worth 10% of the final grade. The final examination will review the formal presentations and the experience of interacting with the General Assembly. It will also be worth 10% of the final grade, and will take place on 8 May.

For the remaining 80% of the course, each student will be responsible for choosing four issues before the Colorado General Assembly 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 summarize the relevant literature 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. 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:

Most of the assigned readings are in the textbook by Harvey S. Rosen and Ted Gayer, Public Finance, 9th edition, McGraw-Hill, New York, 2010, ISBN 978-0-07-351135-1. The complete textbook is available for purchase at the book store.

The remaining pamphlets, assigned for 24 January, may be obtained from the webpage for this lecture on the course website:

<http://www.colorado.edu/Economics/Zax/Econ4231/spring13/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:

<u>Date</u>	<u>Lecture title, readings and assignments</u>
17 January	Introduction to the Colorado General Assembly and normative local public finance Readings: <ul style="list-style-type: none">• The website of the Colorado General Assembly: http://www.leg.state.co.us/ Assignment <ul style="list-style-type: none">• Choose first bill
24 January	Field trip to Colorado State Capital Readings:

- "An Overview of the Legislative Process"
- "The State Budget Process: A Staff Perspective"
- "Rules and Regulations: A primer on formal rulemaking processes and procedures in Colorado"
- "The Case for Representative Democracy: What Americans Should Know About Their Legislatures", the National Conference of State Legislatures, 2001.
- "Learning the Game: How the Legislative Process Works", the National Conference of State Legislatures, 2005.
- "Making Your Case: How to Win in the Legislature", the National Conference of State Legislatures, 2005.

Assignment:

- Choose second issue

31 January	<p>Two central issues: Job creation and taxation</p> <p>Readings:</p> <ul style="list-style-type: none"> • To be announced <p>Discussion of Assembly calendar and individual bills</p>
7 February	<p>Normative public finance I</p> <p>Readings:</p> <ul style="list-style-type: none"> • Rosen and Grayer, chapters 3, 4 <p>Discussion of Assembly calendar and individual bills</p>
14 February	<p>Normative public finance II</p> <p>Readings:</p> <ul style="list-style-type: none"> • Rosen and Grayer, chapters 5, 8 <p>Discussion of Assembly calendar and individual bills</p>
21 February	<p>Taxation and positive local public finance</p> <p>Readings:</p> <ul style="list-style-type: none"> • Rosen and Grayer, chapters 14-16 <p>Discussion of Assembly calendar and individual bills</p>
28 February	<p>Taxation and positive local public finance</p> <p>Readings:</p> <ul style="list-style-type: none"> • Rosen and Grayer, chapters 7, 9, 10, 13 <p>Discussion of Assembly calendar and individual bills</p>
7 March	<p>Government structure and legislatures</p> <p>Readings:</p> <ul style="list-style-type: none"> • Rosen and Grayer, chapters 6, 22 <p>Discussion of Assembly calendar and individual bills</p>

14 March	Mid-term examination on lecture and reading material
21 March	Assembly scorecard and discussion of individual bills Readings: <ul style="list-style-type: none"> The website of the Colorado General Assembly: http://www.leg.state.co.us/
4 April	Assembly scorecard and discussion of individual bills Readings: <ul style="list-style-type: none"> The website of the Colorado General Assembly: http://www.leg.state.co.us/
11 April	Assembly scorecard and discussion of individual bills Readings: <ul style="list-style-type: none"> The website of the Colorado General Assembly: http://www.leg.state.co.us/
18 April	Assembly scorecard and discussion of individual bills Readings: <ul style="list-style-type: none"> The website of the Colorado General Assembly: http://www.leg.state.co.us/
25 April	Assembly scorecard and discussion of individual bills Readings: <ul style="list-style-type: none"> The website of the Colorado General Assembly: http://www.leg.state.co.us/
2 May	Presentation of General Assembly legislative scorecard
8 May	Final examination 4:30p.m.-7:00p.m.

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

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

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 policies 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 students express opinions.⁴ 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 dishonesty 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.⁵

² University policies 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.

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 website is at honor.colorado.edu. The Honor Code office can be contacted by email at honor@colorado.edu or by telephone at 303-735-2273. Additional information regarding the University Honor Code is available at <http://www.colorado.edu/policies/honor.html>.