**PADM 7363 --- Public Policy Analysis II**

**Fall 2018**

**Professor Michael Craw**

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Class time: Wednesday 6:00 p.m. – 9:00 p.m.

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**Course objectives**

In the *Federalist Papers*, James Madison argued that American public policy could and should be guided by “rational deliberation”, free from the “impetuous passions” of the public. In this way, political leaders would come to develop the “best”, or socially-optimal, policies. The central question guiding us throughout this course, then, is why elected officials and policy experts disagree so much about what policies are the best? By studying the arguments that policy experts and public officials make about public policy in the United States, we will see that experts disagree about the purposes of government and the goals it should pursue; the scope of social and economic problems; the causes of problems; and what policies we should adopt to fix them. The practical value to studying policy analysis is to help you critically evaluate policy arguments and become more effective at crafting your own arguments. Such skills are crucial in careers in law and public service.

Our main objective in this course, then, is to develop the analytic tools you will need to evaluate the consequences of public policies and the possible outcomes from policy proposals. Evaluating policy means analyzing the causes of social and economic problems, assessing the effects of public policies on individuals and on public well-being, and developing policy alternatives to better address these problems. Being able to evaluate policy, then, is important for anyone seeking to make effective arguments about public policy, including aspiring legislators, policy advocates, nonprofit administrators, professional policy analysts and government officials. By the end of this course, you will have demonstrated your ability to:

--- Evaluate the effects of public policies on individuals, social groups and society

--- Critique arguments about the scope and causes of social and economic problems

--- Formulate alternative policies for addressing social and economic problems

**Plan for the course**

We will reach these objectives by developing a toolkit of approaches and methods that professional policy experts use to form arguments about public policy. We will begin the course by analyzing the structure of policy arguments. Policy disagreements typically center on one or more of the following: the definition, nature and scope of problems; the causes of public problems; and what actions government should ultimately take to address the problem. Consequently, policy analyses typically make an argument about one or more of those sources of disagreement. We will learn how professionals craft such arguments by studying analyses of poverty, health care, and homeland security. This will provide you with models for formulating your own arguments and analysis.

Next, we will learn how to use data to support policy arguments, focusing particularly on statistical evidence from regression analysis. Regression is a particularly useful method for evaluating arguments about causal relationships, and such arguments are often at the heart of policy disagreements.

Finally, we will develop your analytic toolkit through a better understanding of how to apply economic principles to develop theories about the causes of problems and analyze policy choices. The field of political economy offers a framework for analyzing social and economic relationships that generate public problems and for evaluating proposed solutions. The recent debate on health care reform illustrates how policy experts apply political economy principles in such tasks. In addition, cost-benefit analysis draws on economic principles to aid policymakers in choosing between two or more policy options. Cost-benefit analysis has played a prominent role in analyzing policy choices in homeland security, something we will consider as we close the course.

**Communications**

I encourage and expect contact from you over the semester. The easiest way to reach me is by e-mail (mccraw@ualr.edu). You may also reach me at my cell number above during reasonable hours (between 9 a.m. and 11 p.m.). Or you may see me during my office hours or by making an appointment to see me. I frequently am at my office beyond my posted office hours, so please feel free to come in at other times when my office door is open.

I frequently use UALR e-mail and the course Blackboard system to conduct course business. If you do not use Blackboard and UALR’s e-mail, please be sure to forward messages from those accounts to the e-mail or social media account that you use. I will also place course assignments, handouts and PowerPoint slides on the course Blackboard site whenever possible (usually within 24 hours after class).

**Course materials**

*Books*: You are required to have four books for this course:

Kneebone, Elizabeth, and Alan Berube. 2013. *Confronting Suburban Poverty in America*. Washington: Brookings Institution Press.

Mueller, John, and Mark Stewart. 2011. *Terror, Security and Money: Balancing the Risks, Benefits and Costs of Homeland Security.* Oxford University Press.

Schroeder, Larry, David Sjoquist and Paula Stephan. 1986. *Understanding Regression Analysis: An Introductory Guide*. Newbury Park: Sage.

All other readings will be available on the course Blackboard site.

*Hardware and software*: You will need a USB Flash Drive or other portable memory storage device to save your work in class. You will also need access to a computer installed with PSPP, a free open-source statistical software package. Downloadable versions of PSPP for Windows and for Apple Mac computers are available at <http://www.gnu.org/software/pspp/get.html>. We have found that the installation process is significantly easier on Windows operating systems than on Mac OS and so recommend using a Windows computer for PSPP if possible.

**Course requirements and grading**

To pass the course, students must satisfactorily complete all the following requirements:

Class participation: 20%

First analytic essay: 20%

Second analytic essay: 25%

Policy analysis paper: 35%

Provided that all work for the course is completed, your grade is determined by the weighted average of your scores on each of these four requirements as follows:

 A: 90% and above

 B: 80-89%

 C: 70-79%

 D: 60-69%

 F: 60% or below

**Attendance**: I tolerate 2 absences without penalty; every absence after the second lowers your **course grade** by 10 percentage points (one letter grade).

**Class participation**:  One of the primary objectives of this class is to develop your ability to critically analyze policy issues.  During class sessions, we will engage in activities such as discussion and group work that will call on you to apply new ideas from the reading to policy problems. Thus, it is important for you to come to class prepared to participate by having studied the assigned reading and completed the homework. Your class participation grade will reflect the following factors:

--- *Collegiality*: Showing respect for your peers by being in class on time, staying through the entire class, cell phones off, and respecting the views of others in class discussion.

--- *Preparation*:  Completing reading before class, coming to class prepared with assignments and reading materials, active participation in discussion and small group work.

--- *Engagement out of class*: Class sessions are not the only opportunity to discuss course ideas with me. I want to know if you are having trouble with the material and what you like and don’t like about the course. You may reach me by e-mail, see me during office hours, make a lunch appointment with me, or drop by anytime my office door is open (I frequently work at my office beyond my posted office hours).

*---Homework assignments, problem definition and annotated bibliography:* Ideas from reading are learned much better if they are applied right away. Hence, you will receive weekly assignments that ask you to respond to a discussion question or solve a set of problems.  These assignments will also often serve as a starting point for class discussion.

Since these assignments are preparatory for class sessions, they will be evaluated based on your effort using a check system (a check for a response showing satisfactory thought and effort, 0 otherwise). You must submit your homework response before class in order to receive credit.

In addition, you will prepare a problem definition and an annotated bibliography as part of the policy analysis assignment (see below). Though these assignments will not be graded, satisfactory completion of each will be weighted in the homework grade as two homework assignments each.

The homework portion of your grade counts as half the participation grade and is computed as the number of checks you receive out of the total number of assignments. I will also offer two bonus homework assignments over the semester that you may complete to make up for a missed homework assignment or to earn extra credit.

**Analytic essays:** Over the course of the semester, you will complete two take-home essays. In these essays, you will apply the analytic tools you learn over the course to explain or evaluate some issue in public policy. You will have one week to prepare your response to each question. Your response to the first essay question should be at least 1500 words (5 pages, double spaced). Your response is due **Saturday, September 29.** Your response to the second essay question will be at least 2000 words long (7 pages double-spaced). Your response is due **Wednesday, December 5** at 11:00 p.m.

**Policy analysis paper:** You will demonstrate your ability to make effective arguments about public policy by researching and writing a policy analysis paper on a public policy problem of your choosing. Your paper must be at least 5000 words (about 15 pages double-spaced) and

1. Describe the scope of the problem and who is affected, using appropriate tables, charts and other descriptive quantitative evidence.
2. Analyze the causes of the problem or describe and evaluate the effect of these policies on the problem using multiple regression analysis
3. Describe and evaluate at least one policy alternative to existing policies.

A draft problem definition that defines and describes the policy problem the paper will address is due **Saturday, September 15.** An annotated bibliography of scholarly articles, books, and policy analyses and a copy of the data set you intend to analyze for your policy analysis paper are due **Saturday, October 20**. Your policy analysis paper is due at the start of the in-class mini-conference on **Wednesday, November 14**.

**Submitting assignments**

The course Blackboard page includes a folder in which homework, take home essay and policy analysis paper assignments are stored. You may upload your completed assignments here and/or by email to me. I recommend both uploading your assignment to Blackboard AND emailing it to me (mccraw@ualr.edu) to ensure I receive it. It is your responsibility to assure that I have received your work on time. You are also welcome to submit assignments to me in hard copy. These should be delivered to me at my office or to my mailbox on the 6th floor of Ross Hall.

In the interest of fairness, late take-home essay and policy analysis papers will receive a penalty of one letter grade (10 percentage points) for each day late. Homework assignments must be submitted before class time to receive credit.

**Academic integrity**

Cheating, plagiarism and other violations of academic integrity standards will not be tolerated. Any student turning in work that is in violation of UA Little Rock academic integrity standards will automatically receive a grade of zero in the course and the matter will be referred to the MPA program coordinator for disciplinary action. An overview of academic integrity standards and UA Little Rock’s academic integrity policy are at <http://ualr.edu/deanofstudents/index.php/home/academic-integrity/> .

**Accessibility**

Your success in this class is important to me, and it is the policy and practice of the University of Arkansas at Little Rock to create inclusive learning environments consistent with federal and state law. If you have a documented disability (or need to have a disability documented), and need an accommodation, please contact me privately as soon as possible, so that we can discuss with the Disability Resource Center (DRC) how to meet your specific needs and the requirements of the course. The DRC offers resources and coordinates reasonable accommodations for students with disabilities. Reasonable accommodations are established through an interactive process among you, your instructor(s) and the DRC. Thus, if you have a disability, please contact me and/or the DRC, at 501-569-3143 (V/TTY) or 501-683-7629 (VP). For more information, please visit the DRC website at [ualr.edu/disability](http://www.ualr.edu/disability).

**Course schedule**

These topics and reading assignments may change throughout the course of the semester, depending on our speed and interests. Changes will be announced in class.

Note, too, that some readings are marked as “recommended”. We will not focus on these readings in class, but they may help to either extend or clarify one or more of the required readings. Should you have difficulty with the required reading, these additional readings may help to clarify the main ideas.

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| **Date** | **Topic and Reading Assigned** |
| **Wednesday, August 22** | **Introduction to policy analysis**Kraft and Furlong, "Introduction to policy analysis" (Blackboard)Isaacs, "Starting School at a Disadvantage: The School Readiness of Poor Children" (Blackboard)Film: "Separate and Unequal" |
| **Wednesday, August 29** | **Policy agenda-setting: Analyzing suburban poverty**Kneebone and Berube, *Confronting Suburban Poverty in America* |
| **Wednesday, September 5** | **Problem definition and analysis**Kraft and Furlong, "Problem Analysis" (Blackboard)"How The Census Bureau Measures Poverty" (Blackboard)Dalaker, "Poverty in the United States in 2016: In Brief" (Blackboard)Iceland, Causes of Poverty" (Blackboard) |
| **Wednesday, September 12** | **Policy evaluation and the impact of welfare policy**Lindsey, "Child Poverty and Inequality" (Blackboard)Murray, "Incentives to Fail" (Blackboard) |
| **Saturday, September 15** | **Draft problem definition due at 11 p.m.** |
| **Wednesday, September 19** | **Using regression to analyze problems and evaluate policies**Schroeder *et al, Understanding Regression Analysis*, chapters 1-3Balamurali et al, "The Impact of Education on Poverty” (Blackboard)Pontusson, "Welfare States, Redistribution and Economic Growth" (Blackboard)Recommended: Eller et al., "Simple Linear Regression" (Blackboard) |
| **Wednesday, September 26** | **Extensions of OLS: Interaction terms and model specification**Schroeder et al, chapter 4Pollock, “Interaction effects in multiple regression” (pp. 201-204) and “Multicollinearity” (pp. 205-206) (Blackboard)  |
| **Saturday September 29** | **Essay 1 due at 11:00 p.m.** |
| **Wednesday, October 3** | **Common statistical issues with regression**Wheelan, "Common Regression Mistakes" (Blackboard)Schroeder et al. chapter 5Berry and Feldman, "Heteroscedasticity and Autocorrelation" (Blackboard) |
| **Wednesday, October 10** | **Critiquing American health care policy**Reading: TBA |
| **Wednesday, October 17** | **Tools for evaluating policies: the political economy approach**Schelling, "Micromotives and Macrobehavior"(Blackboard)Hobbes, selected passages from *Leviathan* (Blackboard)Bickers and Williams, "Limitations of the Market" (Blackboard) |
| **Saturday, October 20** | **Annotated bibliography and data set are due at 11:00 p.m.** |
| **Wednesday, October 24** | **Market failures and state failures**Coase, "The Problem of Social Cost" (Blackboard)Hayek, "The Use of Knowledge in Society" (Blackboard) |
| **Wednesday, October 31** | **Analyzing market failures in American health care insurance**Emanuel, "Five Problems with the American Health Care System" (Blackboard)Akerlof: "The Market for Lemons" (Blackboard)RAND Corporation, "The RAND Health Insurance Experiments" (Blackboard)Emmanuel, "What is in the Affordable Care Act?"(Blackboard) |
| **Wednesday, November 7** | **Tools for evaluating policies: cost-benefit analysis**Gupta, “Choosing the Best Alternative: Cost-Benefit Analysis" (Blackboard)Munger, "Discounting I: Expected Values, Probability and Risk" (Blackboard)Recommended: Ammons, "The TIme Value of Money" (Blackboard)Recommended: Ammons, “Cost-Effectiveness Analysis: A Truncated Version of Cost-Benefit Analysis” (Blackboard) |
| **Wednesday, November 14** | **In-class mini-conferencePolicy analysis paper due at beginning of class** |
| **Wednesday, November 21** | **Thanksgiving Break (no class)** |
| **Wednesday, November 28** | **Cost-benefit analysis in homeland security**Mueller and Stewart, *Terror, Security and Money* |
| **Wednesday, December 5** | **Essay 2 due at 11:00 p.m.** |