



Goldman School of Public Policy  
University of California, Berkeley

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## PP101: Introduction to Public Policy Analysis

Spring 2015

Professor Hilary Hoynes, [hoynes@berkeley.edu](mailto:hoynes@berkeley.edu)

**Lecture Time/Place**– Tuesday, Thursday 12:40p-2:00p, 250 GSPP (1893 LeRoy St)

**Instructor Office Hours**– Tuesday 3-5pm and (and by appointment) in Room 345 GSPP (1893 LeRoy St)

William Pe, <a href="mailto:william_pe@berkeley.edu">william_pe@berkeley.edu</a>	Discussion section 101, W 8-9 105 GSPP
Leah Koestner, <a href="mailto:leah.koestner@berkeley.edu">leah.koestner@berkeley.edu</a>	Discussion section 102, W 9-10 105 GSPP
Maura Liévano <a href="mailto:maura.lievano@berkeley.edu">maura.lievano@berkeley.edu</a>	Discussion section 103, Th 8-9 105 GSPP

**Course Web Site**– <https://bCourses.berkeley.edu>. There you will find class information and announcements, the syllabus, a lecture and reading schedule, readings and handouts. Check it often for all updates and current information.

**Course Grade**– The final grade will be determined as follows:

Homework	25%
Midterm #1 (February 26)	20%
Midterm #2 (April 23)	20%
Policy Memo	10%
Final Project (paper 20%, presentation 5%)	25%

### Required Readings

Krugman and Wells, Microeconomics (any edition)  
Bardach, “A Practical Guide for Policy Analysis: The Eightfold Path to More Effective Problem Solving”  
Readings on Bcourses  
Course Reader, available at Vick Copy, 1879 Euclid St

**Required edX Module on Eight Fold Path:** Also required is online course content on the Eight Fold Path. This will be fully integrated into the course; including required viewing content before lecture as well as graded “check your understanding” homework.

**Homeworks** – The course will include two types of homeworks. First, the EdX module on the Eight Fold Path will include “check your understanding” problems on each unit. Second, we will have three problem sets on the core tools and concepts in the course. These will be graded check, check minus and check plus.

## **Course Purpose and Scope:**

This course introduces students to the fundamental skills of policy analysis and to some of the difficult choices involved in identifying, addressing and resolving public policy problems. It is designed to help you think creatively and critically about public policy issues.

The organizing principle of the course is to evaluate the role of the government in society. We will analyze the theoretical justifications for public action with an eye on the dividing line between problems that merit public intervention and those that do not. The proper role of government is a subject of great debate with those who believe that government should have less influence than in the status quo and others who envision greater roles for public intervention. We study cases where government remedies market failure, and others where government intervention is guided by principles of redistribution.

The goals of this course are several. First, we will provide an overview of the role of the public sector and collective decision-making in modern societies. In all modern nations, the production and distribution of goods, the settlement of disputes, and the formal and informal rules that govern behavior, inter-personal, and inter-group relations are governed by a mix of public and private decision making. Among the many roles of the public sector, government at all levels regulates activity, engages in production of public and sometimes private goods, purchases goods and services on behalf of tax payers, and redistributes wealth sometimes in progressive and sometimes in regressive manners. Understanding the impact, scope, and reach of public policy on individual lives and choices is one of the principal goals of this course.

Within these broad conceptual themes, we will study a host of policy topics with the aim of highlighting public interventions, framing problems, thinking through alternatives, and identifying changes that can make society better. Among the policy topics that we will discuss in this class include minimum wages, immigration policy, environmental policy, soda taxes, Obamacare, anti-poverty policy to name a few. While we will be illustrating many of the methods, theories, frameworks etc. with these examples, a chief goal of this course is for each student to develop a set of general conceptual skills for thinking about policy problems and solutions.

There are three layers in the course: (1) the “tools” of public policy analysis (microeconomics, empirical methods), (2) how to construct a public policy argument (the Eight Fold Path) and (3) policy topics.

## **Learning Objectives:**

Students will gain sufficient insight to be able to evaluate claims that a problem is reasonably the business of government. They will learn how government works and about the various strategies available to government to address policy problems. Further, they will use policy analysis tools to compare the merits and disadvantages of different policy approaches to a particular problem, and estimate what will be the likely consequences of proposed policies. They will learn how to translate this to a written and oral argument on the policy. While we will be illustrating many of the methods, theories, frameworks with policy examples, a chief goal of the course is for each student to develop a set of general conceptual skills for thinking about policy problems and solutions.

## **Course Structure**

The class meets twice a week as a lecture, and once a week in small sections. For each topic, we start with a lecture with professor-led discussion of the theory. We then follow with readings on a policy application; this class meeting will take the form of a “case study” with significant class discussion. The general approach of the course is to learn by actively contributing to the class discussion and listening to your peers, not by passively listening to the professor lecture.

## **Term paper:**

As a final course project (and in lieu of a final exam) each student will complete a policy memo, a 10 page (double spaced) paper. You will be presented with a menu of choices for policies. Each student will rank these choices and be assigned a topic via lottery (this ensures a distribution of papers across the topics). The paper should be written as though for a particular decision-maker in government or a non-profit organization, with the writer assuming the role of a staff assistant to this decision-maker. Clear, grammatically-correct, well-organized, and succinct presentation is expected. Note that this is not a typical term paper that explains why something happened in the past or reports what other people have said about an issue. Part of your grade for the term paper will include a group presentation on your topic.

## **Policy Memo**

As an intermediate step towards the term paper, you will write one shorter policy memo (5 pages). All students will have the same topic for this memo.

## **Academic Honesty**

It is important that you give appropriate credit for ideas and text you use in your work that came from your reading of books, articles or the internet. You must put quotation marks around any sentence or part of a sentence that you did not write yourself, and indicate the source. (You should also, of course, provide citations to facts that are not common knowledge.) The penalty for plagiarism is a failing grade and possible disciplinary action depending on the nature of the plagiarism. If you have questions about how to cite work appropriately, please stop by my office hours or e-mail me for a private appointment.

**Topics covered in course (See daily schedule for readings for each lecture)**

Introduction to Public Policy Analysis

Challenges for policy evaluation

How to construct a public policy argument/analysis: “The Eight Fold Path”

<u>Tools for policy analysis</u>	<u>Applications</u>
Supply and Demand, Markets, Surplus	Minimum wages Immigration
Adding taxes to supply and demand	Soda taxes
Externalities	Congestion pricing Environmental Policy Mass Incarceration
Consumer choice	Food Stamps Public Housing
Labor supply	Welfare Reform The EITC
Equity and redistribution	Poverty Inequality
Social Insurance	Obamacare Oregon Experiment



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**COURSE SCHEDULE, ASSIGNMENTS AND READINGS**

*Note: This is subject to change – check schedule often.*

**Last Updated April 1, 2015**

WEEK 1		
1/19	MONDAY	
1/20	TUESDAY	LECTURE #1 <b>Introduction to Public Policy Analysis</b> [R] Gruber Ch 1 Nate Silver “What is Driving Growth in Government Spending?” New York Times 1/16/13, <a href="http://fivethirtyeight.blogs.nytimes.com/2013/01/16/what-is-driving-growth-in-government-spending/?_r=0">http://fivethirtyeight.blogs.nytimes.com/2013/01/16/what-is-driving-growth-in-government-spending/?_r=0</a>
1/21	WEDNESDAY	
1/22	THURSDAY	LECTURE #2 ** Class meets 1:10-2:00 ** <b>TOOLS: Challenges for policy evaluation</b> [R] Gruber Public Finance, Ch 3 [R] Murnane & Willett, Methods Matter, Ch 1 [B] Chetty, “Yes, Economics Is a Science,” New York Times 2013
WEEK 2		
1/26	MONDAY	
1/27	TUESDAY	LECTURE #3 <b>TOOLS: Supply and Demand, Markets, Surplus</b> Krugman and Wells Ch 3, 4
1/28	WEDNESDAY	
1/29	THURSDAY	LECTURE #4 <del>** Class meets 1:10-2:00 **</del> Regular class meeting 12:40-2:00 <b>TOOLS: Price Ceilings and Floors</b> Krugman and Wells Ch 5

WEEK 3		
2/2	MONDAY	
2/3	TUESDAY	<p>LECTURE #5</p> <p><b>Application: Minimum Wages</b></p> <p>[R] Card &amp; Krueger, <i>Myth and Measurement</i>, Ch. 1</p> <p>[B] Hamilton Project, "Designing Thoughtful Minimum Wage Policy at the State and Local Levels"</p> <p>[B] Economic Policy Institute "Raising the federal minimum wage to \$10.10 would lift wages for millions and provide a modest economic boost," 2013</p> <p>American Enterprise Institute "Why we shouldn't raise the minimum wage."</p> <p><a href="https://www.aei.org/publication/why-we-shouldnt-raise-the-minimum-wage/">https://www.aei.org/publication/why-we-shouldnt-raise-the-minimum-wage/</a></p> <p><b>In-class DEBATE</b></p>
2/4	WEDNESDAY	8FP HW due 11pm
2/5	THURSDAY	<p>LECTURE #6 ** Class meets 1:10-2:00 **</p> <p><b>Eight Fold Path: Overview, Problem Statement</b></p> <p>Bardach, Introduction and pp. 1-10</p> <p>[E] Part 1 Introduction // The 8FP: What is it?</p> <p>[E] Part 1 Introduction // Why the 8FP?</p> <p>[E] Part 2 The 8FP // Step 1: Define the Problem</p> <p>[B] "Towards a ceasefire: Experiments in legalization are showing what a post-war approach to drug control could look like," <i>The Economist</i>, 2013</p> <p><b>PROBLEM SET #1 DUE TODAY IN CLASS</b></p>
WEEK 4		
2/9	MONDAY	
2/10	TUESDAY	<p>LECTURE #7</p> <p><b>Tools: Adding Taxes to S &amp; D</b></p> <p>Krugman and Wells Ch 7 (also read Ch 6 on your own)</p>
2/11	WEDNESDAY	8FP HW due 11pm
2/12	THURSDAY	<p>LECTURE #8</p> <p><b>Application: Soda Tax</b></p> <p>Mark Bittman, <i>Banning the Big Gulp Ban</i>, New York Times, 3/19/13,</p> <p>Mark Bittman <a href="#">Introducing the Soda Tax</a> Op Ed 7/29/14 New York Times</p> <p>Mark Bittman, <a href="#">The Next Battleground for Soda</a> Op Ed 10/8/14 New York Times.</p> <p>[B] McGranahan and Schanzenbach "Who would be affected by soda taxes?" Chicago Fed Letter, 2011.</p> <p><b>In-class debate</b></p> <p><b>Eight Fold Path: Step 2 Assemble some Evidence</b></p> <p>Bardach, pp. 11-16</p> <p>[E] Part 2 The 8FP // Step 2: Assemble some Evidence</p>

WEEK 5		
2/16	MONDAY	
2/17	TUESDAY	LECTURE #9 <b>Tools: Externalities</b> Krugman and Wells Ch 16
2/18	WEDNESDAY	8FP HW due 11pm
2/19	THURSDAY	LECTURE #10 <b>Application: Congestion</b> [B] Leape, "The London Congestion Charge", <i>Journal of Economic Perspectives</i> , 2006 [B] Arnott & Small, "The Economics of Traffic Congestion," <i>American Scientist</i> , 1994 [B] Lecture Notes on Congestion Pricing (by Professor Raphael) [B] U.S. Dept. of Transportation, "Congestion Pricing A Primer", 2013 <b>Eight Fold Path: Step 3 Construct the Alternatives</b> Bardach, pp. 16-31 [E] Part 2 The 8FP // Step 3: Construct the Alternative
WEEK 6		
2/23	MONDAY	
2/24	TUESDAY	LECTURE #11 <b>8FP and Applications</b> [B] Cascio and Schanzenbach, "Expanding Preschool Access for Disadvantaged Children," The Hamilton Project [B] Greenstone, Looney and Marks "The US Immigration System: Potential Benefits of Reform," The Hamilton Project <b>PROBLEM SET #2 DUE TODAY IN CLASS</b>
2/25	WEDNESDAY	
2/26	THURSDAY	LECTURE #12 <b>MIDTERM #1</b>
WEEK 7		
3/2	MONDAY	
3/3	TUESDAY	LECTURE #13 <b>STOP THE CLOCK: POLICY MEMO WRITING WORKSHOP</b>
3/4	WEDNESDAY	

3/5	THURSDAY	LECTURE #14 <b>STOP THE CLOCK: POLICY MEMO WRITING WORKSHOP</b> READINGS: [B] "Ellwood's Guide to Memo Writing" <u>Bring to class:</u> 1. A more polished version of their individual problem definition 2. An outline of their policy memo (headers only) 3. The writing worksheet with the first few steps filled out (for reference)
WEEK 8		
3/9	MONDAY	
3/10	TUESDAY	LECTURE #15 <b>Mark Bittman Guest Lecture on FOOD POLICY</b> Bittman (and coauthors) <a href="#">How a National Food Policy Could Save Millions of Lives</a> , Op Ed Washington Post 11/7/14. KQED Blog Bay Area Bites, <a href="#">Bittman Does Berkeley: Talking Food Politics with Mark Bittman</a> , 2/15/15. [Make sure to also view the <a href="#">video</a> provided on this page (interview with Ezra Klein of Vox).] Bittman, <a href="#">Let's Address the State of Food</a> , Op Ed 1/19/15 New York Times. Bittman, <a href="#">Good Riddance to the Foam Take out Carton</a> , Op Ed 1/28/15 New York Times. [And in particular his discussions of plastic bag bans/fees and changing "culture" (behavioral economics).] <u>And what we have already read by Bittman on the soda tax:</u> Mark Bittman <a href="#">Introducing the Soda Tax</a> Op Ed 7/29/14 New York Times and <a href="#">The Next Battleground for Soda</a> Op Ed 10/8/14 New York Times. <b>COME TO CLASS WITH A QUESTION PREPARED FOR BITTMAN (CONTRIBUTE YOUR QUESTION IN ADVANCE TO DISCUSSIONS SECTION OF BCOURSES)</b> <b>MEMO#1 ASSIGNMENT DUE IN CLASS</b>
3/11	WEDNESDAY	8FP HW due 11pm (due today for both Step 4 & Step 5)
3/12	THURSDAY	LECTURE #16 <b>Eight Fold Path: Step 4 Select the Criteria</b> Bardach, pp. 31-47 [E] Part 2 The 8FP // Step 4 Select the Criteria <b>Eight Fold Path: Step 5 Project the Outcomes</b> Bardach, pp. 47-63 [E] Part 2 The 8FP // Step 5 Project the Outcomes <b>Applications:</b> [B] Dynarski and Kreisman "Loans for Educational Opportunity: Making Borrowing Work for Today's Students," The Hamilton Project <u>PRIOR READINGS THAT MIGHT BE INTEGRATED INTO LECTURE AS EXAMPLES:</u> [B] U.S. Dept. of Transportation, "Congestion Pricing A Primer", 2013 [B] Cascio and Schanzenbach, "Expanding Preschool Access for Disadvantaged Children," The Hamilton Project



WEEK 9		
3/16	MONDAY	
3/17	TUESDAY	LECTURE #17 <b>Tools: Consumer choice</b> Krugman and Wells Ch 10 (including appendix) [R] Gruber Public Finance, Ch 2, Section 2.1
3/18	WEDNESDAY	
3/19	THURSDAY	LECTURE #18 <b>Application: Cash vs Inkind transfers</b> [B] Center for Budget and Policy Priorities, "Policy Basics: Introduction to SNAP" [B] Hamilton Project "Strengthening SNAP for a More Food-Secure, Healthy America" Diane Schanzenbach Prof Hoynes on her SNAP research

<b>SPRING BREAK 3/24 – 3/28</b>		
WEEK 10		
3/30	MONDAY	8FP Step 6 HW due 11pm, 8FP Step 7&8 HW due 11pm
3/31	TUESDAY	LECTURE #19 <b>Eight Fold Path: Step 6 Confront the Tradeoffs, Steps 7 &amp; 8</b> Bardach, pp. 63-79 [E] Part 2 The 8FP // Steps 6, 7&8 <b>Tools: Labor Supply</b> Krugman and Wells, Ch 19 (only the short section on “The Supply of Labor”) [R] Gruber, Public Finance, Ch 2, Section 2.2
4/1	WEDNESDAY	
4/2	THURSDAY	LECTURE #20 <b>Applying the tools of labor supply to the study of EITC and welfare</b> [R] Gruber, Public Finance, Ch 17 [R] Kevin Lang <u>Poverty and Discrimination</u> , Chapter 3 “The Evolution of Poverty Policy” and Ch 9 “Welfare Reform”
WEEK 11		
4/6	MONDAY	8FP Homework due, HW due 11pm
4/7	TUESDAY	LECTURE #21 <b>CLASS DEBATE: EITC VS WELFARE VS MINIMUM WAGES</b>  <b>Eight Fold Path: Putting it all together</b> [E] Part 3 Putting it all together // Putting it all together Application: [B] Legislative Analyst Office “Options for a State EITC”, Dec 2014.
4/8	WEDNESDAY	
4/9	THURSDAY	LECTURE #22 <b>Application: Poverty and Inequality</b> [B] Hamilton Project, “A Dozen Facts about America’s Struggling Lower-Middle Class,” 2013 [B] Alvaredo et al “The Top 1 Percent in International and Historical Perspective,” JEP 2013. [B] Saez, slides, Neubauer Lecture, 2014

WEEK 12		
4/13	MONDAY	
4/14	TUESDAY	LECTURE #23 <b>Tools: Social Insurance and Health Insurance</b> [B] Krugman, "Health Care 101," New York Times, 2005 [R] Gruber, Public Finance, Ch 15. [B] Kaiser Family Foundation, "The Uninsured A Primer," 2014 <b>PROBLEM SET #3 DUE TODAY IN CLASS</b>
4/15	WEDNESDAY	
4/16	THURSDAY	LECTURE #24 <b>Application: What Health Policy Does</b> [B] Center for Budget and Policy Priorities, "Policy Basics: Medicaid" [R] Gruber, Public Finance, Ch 16. [B] Allen et al, "What the Oregon Health Study Can Tell Us about Expanding Medicaid," <i>Health Affairs</i> , 2010 [B] Oregon Project, "Summary of Findings," <a href="http://www.nber.org/oregon/">http://www.nber.org/oregon/</a> <b>DEBATE: MODES OF EXPANDING HEALTH INSURANCE COVERAGE</b>
WEEK 13		
4/20	MONDAY	
4/21	TUESDAY	LECTURE #25 Great Recession, Poverty and the Social Safety Net (No additional readings)
4/22	WEDNESDAY	
4/23	THURSDAY	LECTURE #26 <b>MIDTERM #2</b>
WEEK 14		
4/27	MONDAY	
4/28	TUESDAY	STUDENT PRESENTATIONS (meet as section)
4/29	WEDNESDAY	
4/30	THURSDAY	STUDENT PRESENTATIONS (meet as section)
WEEK 15 – RRR		
WEEK 16 – FINALS WEEK		
5/11	MONDAY	FINAL POLICY MEMO DUE TODAY

