



**Course Information:**

Time: Wednesday 9:00am – 11:20am

Room: 104 Taubman

**Office Hours:**

Thurs: 12:00pm – 2:00pm

& by appointment

Office: Taubman Center #002, 67 George St.

Email: erik\_godwin@brown.edu

**Course Objectives:** This course is designed to prepare students for work in heavily regulated policy arenas (which is pretty much all of them). You will receive training in the disciplines necessary to design regulations, evaluate compliance options, and generate regulatory analyses that policymakers will find persuasive. This is a practitioner's course. As such, it is first and foremost a quantitative class. Familiarity with the basic concepts of microeconomics and statistics is assumed.

Upon completion of the semester, students will have the tools necessary to:

- Identify when regulations are necessary, and which regulatory architectures best lend themselves to the actions under consideration;
- Evaluate regulatory options using elements of cost-benefit analysis, finance, risk analysis, and probability theory; and
- Conduct retrospective analyses of regulatory impacts on regulated entities and society.

**Course Overview:** Each class will focus on specific quantitative techniques, the theoretical underpinnings of regulatory techniques, and applied case study examples. Some of the regulatory cases will come from federal agencies and others from state efforts. Students are expected to have completed the week's readings prior to attending that week's class. With only 12 scheduled class meetings, preparation is critical. The first two-thirds of each class will build upon the technical skills highlighted in that week's readings.

**Required Readings:**

- Gramlich, Edward. 1998. *A Guide to Benefit-Cost Analysis*. 2<sup>nd</sup> Edition. Waveland Press.
  - ISBN: 978-0881339888
- US EPA. *Guidelines for Preparing Economic Analyses*, 2010. (Free online).
  - <http://yosemite.epa.gov/ee/epa/eed.nsf/pages/guidelines.html>
- OMB Circular A-4: [http://www.whitehouse.gov/omb/circulars\\_a004\\_a-4](http://www.whitehouse.gov/omb/circulars_a004_a-4)

**Other Readings:** Additional readings are available on Canvas or can be found online. If a reading in electronic format will not open it is the responsibility of the student to find the reading. Readings can be found through the university libraries.



**Grading:** Final grades will be earned via the following sources:

Quizzes	20%
Homework	10%
Case Studies	25%
Exam #1	20%
Exam #2	25%

#### Quizzes

Quizzes will be administered at the beginning of class, and are timed. They may cover the readings assigned for that week and/or the quantitative techniques currently under discussion.

#### Makeup Policy

Makeups for quizzes or exams require a university-approved excuse that is consistent with Brown's General Regulations (see: <http://bulletin.brown.edu/generalregulations/>) or, at my discretion, a pre-approved absence for professional development.

#### Grading Scale

I will use the following grade cutoffs when determining letter grades:

A	90.0% and above
B	80.0% - 89.99%
C	70.0% - 79.99%
D	below 70.0%

**Academic Honesty:** You are expected to follow Brown's academic code.<sup>1</sup> According to the code, "Students who submit academic work that uses others' ideas, words, research, or images without proper attribution and documentation are in violation of the academic code. Infringement of the academic code entails penalties ranging from reprimand to suspension, dismissal, or expulsion from the University." If you have any questions about proper citation, talk to a reference librarian, someone at the Writing Center, or myself.

**Students with Disabilities:** Please inform me if you have a disability or other condition that might require some modification of any of these course procedures. You may speak with me after class or during office hours. For more information, contact Student and Employee Accessibility Services at 401-863-9588 or [SEAS@brown.edu](mailto:SEAS@brown.edu).

**Email:** For the purposes of this class email will be used for administrative purposes. Questions about the content of class are best addressed during office hours. Please come by and I will be happy to talk with you about the ideas we discuss in class.

**\*\*\* You are expected to have a calculator without transmission or receiving capabilities for quizzes and exams.**

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<sup>1</sup> You can and should read the code in its entirety here:

[http://www.brown.edu/Administration/Dean\\_of\\_the\\_College/curriculum/documents/principles.pdf](http://www.brown.edu/Administration/Dean_of_the_College/curriculum/documents/principles.pdf)



## *Course Schedule*

Date	Topics	Readings
1/22	Discounting	Gramlich, Chapter 6
1/29	Discounting Part II	Gramlich, Chapter 6
2/5	Discounting Part III	EPA Guidelines, Chapter 6
2/12	Expected Value Adjustments	From Lecture
<b>2/19</b>	<b>Exam #1</b>	
2/26	Market Interventions	Gramlich, Chapters 1&2
3/5	Decision Criteria	Gramlich, Chapter 3
3/12	Valuation Techniques	Gramlich, Chapter 4; Gregory, Michel. 2001. "Net Present Value Analysis: A Primer for Finance Officers." <i>Government Finance Review</i> .
<b>3/19</b>	<b>Exam #2</b>	
4/2	Regulations in Practice	OMB Circular A-4
4/9	Social Regulation	Gramlich, Chapter 12
4/16	VSL Calculations	W. Kip Viscusi and Joseph E. Aldy, "The Value of a Statistical Life: A Critical Review of Market Estimates Throughout the World," <i>Journal of Risk and Uncertainty</i> 27(1) 2003, 5–76.  EPA Guidelines, Appendix B
<b>4/23</b>	<b>48 Hour Case Study</b>	
<b>4/30</b>	<b>No Class – Reading Period</b>	
<b>5/9</b>	<b>Final Exam at 2:00pm</b>	