

**Indiana University-Purdue University Indianapolis**  
**School of Public and Environmental Affairs**  
**Fall Semester, 2014**

**COURSE**

**Number/Title:** SPEA-V 541 Benefit-Cost Analysis of Public and Environmental Policies  
**Class Number:** 27808  
**Day and Time; Location:** Wednesdays 6:00 p.m. – 8:40 p.m., Cavanaugh Hall (CA) 225

**INSTRUCTOR**

**Instructor:** Roger E. Sell  
**Office Hours/Location:** By appointment (Associate Faculty office: BS 4032W)  
**Telephone:** (317) 997-9392  
**E-mail Address:** [rsell@iupui.edu](mailto:rsell@iupui.edu)

**COURSE DESCRIPTION**

P: SPEA-V 517 or consent of instructor. The course is divided into three sections. The first part covers the fundamental principles of economic analysis. Cost-benefit analysis (CBA) is one type of explicit economic analysis; others include cost effectiveness analysis and cost utility analysis. In the second section we learn the specifics of valuing impacts that are the building blocks of CBA. The first two sections will be delivered in a lecture/discussion format. The last section of the course is a graduate seminar where students prepare and present CBA projects on a topic of their choosing.

**REQUIRED COURSE MATERIALS**

Required Text: Cost Benefit Analysis: Concepts and Practice, 4th Edition, by A. Boardman, D. Greenberg, A. Vining, and D. Weimer, 2011. Upper Saddle River, NJ: Prentice Hall (ISBN 9780137002696) [This book is referred to as "BGVW" in the outline below.]

**COURSE LEARNING OUTCOMES**

Upon successful completion of this course, a student should be able to:

- ✓ Integrate the principles and tools of cost-benefit analysis as outlined in the lectures, texts and other assigned readings through the completion of two exercise sets and two written exams.
- ✓ Conduct and present an economic analysis on a present-day project or policy issue by utilizing appropriate CBA methods and techniques;
- ✓ Critically appraise the economic analyses of peers and other entities in written evaluations.

**SPEA POLICIES**

The SPEA Syllabus Addendum, which is attached to this syllabus, explains SPEA's academic policies for Academic Misconduct, Civility and Disorderly Conduct, Communication between Faculty and Students, Course Withdrawal, Incompletes, Grade Changes, Students Called to Active Duty, and the Final Exam Schedule. Each student is responsible for understanding and following all school policies.

**INSTRUCTOR'S CLASSROOM POLICIES**

I recommend a minimum of two in-person appointments with me during the course. Also, please contact me whenever you have questions or problems concerning this class. I am willing to meet with or talk with students by phone at a mutually convenient time, and I am generally available for questions following each lecture.

Outside of class I will primarily communicate with class members by e-mail. I am accessible through ONCOURSE e-mail, as well as WEBMAIL.

## ASSESSMENT AND GRADING

Students will complete two problem sets (as shown in the schedule below) that will together account for 10% of the course grade. These problem sets may be completed either individually or collaboratively in groups of two or three students. Students who opt to work in teams must submit only one finished product per team. All team members will receive the same grade. Assignments up to three days late will receive a 10% grade reduction. Assignments from four to seven days late will receive a 20% grade reduction. Assignments more than one week late will receive a 30% grade reduction.

Two in-class examinations will each contribute 20% to the final grade. Make-up of missed exams may be allowed under extenuating circumstances. Requests are handled on a case-by-case basis.

Class participation will contribute 10%. Much of this portion of the grade will be based on students' participation levels during the seminar section of the course.

For the remaining 50% of the course grade, students will conduct a cost-benefit analysis of a real world issue of their choosing. The course project will provide a hands-on learning experience that will give a much better understanding of how economic analysis can work in various fields. Students will learn the theory and tools in the course more easily if given a context from their own fields to which it can be applied. The best advice for successfully completing this project is to start early and keep it simple.

Grades are based on the following grading scale:

95% or greater: A+    90% or greater: A    85% or greater: A-    80% or greater: B+    75% or greater: B  
70% or greater: B-    65% or greater: C+    60% or greater: C    Below 60%: F

## COURSE SCHEDULE

Dates of exams will not change. Check for announcements on Oncourse.

<b>Wed 8/27</b>	Conceptual Foundations of CBA BGVW Chapter 1 and Chapter 2: pp 25-32	Introductions
<b>Wed 9/3</b>	Conceptual Foundations of CBA (continued) BGVW Chapter 2: pp 32-48 Microeconomic Foundations of CBA BGVW Chapter 3	Assignment 1 Distributed
<b>Wed 9/10</b>	Valuing Benefits & Costs in Primary Markets BGVW Chapter 4	Group Discussion: Projects
<b>Wed 9/17</b>	Secondary Markets; Discounting Future Benefits & Costs BGVW Chapters 5 & 6	<b>Assignment 1 Due</b> Discuss Project Proposals
<b>Wed 9/24</b>	Review for first exam; Work Assignment #1 in class	<b>Project Proposals Due</b>
<b>Wed 10/1</b>	<b>FIRST EXAMINATION</b>	Return Project Proposals
<b>Wed 10/8</b>	Probability; Social Discount Rate & Non-use Values BGVW Chapters 7 & 10 (skim Chapters 8 & 9)	Assignment 2 Distributed

<b>Wed 10/15</b>	Predicting and Monetizing Impacts; Valuing Impacts; Contingent Valuation BGVW Chapters 11 through 15	<b>Project Framework and Inputs Due</b>
<b>Wed 10/22</b>	Shadow prices from Secondary Sources; Cost-Effectiveness Analysis BGVW Chapters 16 through 18 (skim Chapter 19)	<b>Assignment 2 Due</b>
<b>Wed 10/29</b>	How accurate is CBA? Review for second exam. BGVW Chapter 20	Return Assignment 2
<b>Wed 11/5</b>	<b>SECOND EXAMINATION</b>	
<b>Wed 11/12</b>	Presentations & Discussions of Class Projects	Return 2 <sup>nd</sup> Exam
<b>Wed 11/19</b>	Presentations & Discussions of Class Projects	
<b>Wed 11/26</b>	<b>No Class – Thanksgiving Break</b>	
<b>Wed 12/3</b>	Presentations & Discussions of Class Projects	
<b>Wed 12/10</b>	Presentations & Discussions of Class Projects	Course Evaluations
<b>Wed 12/17</b>	Wrap-up	<b>Class projects due</b>

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## SPEA 2014 Policies Syllabus Addendum

There are a number of campus-wide policies governing the conduct of courses at IUPUI. These can be found at [http://registrar.iupui.edu/course\\_policies.html](http://registrar.iupui.edu/course_policies.html). Additional information for SPEA courses is below.

### **Civility and Disorderly Conduct**

SPEA, which is a professional school, expects students to conduct themselves in a courteous and civil manner in interactions with professors and fellow students. This requires each person to be courteous, tolerant, and respectful during interactions with one another in all interactions, including face-to-face interactions, e-mail, and telephone conversations. Examples of discourteous behavior during class include reading the newspaper, working crossword puzzles, listening to headphones, talking or laughing with other, arriving late, using computers to surf the web, allowing cell phones to ring or sending text messages, or other non-class activities. The use of language, tone, or gestures that are inappropriate or offensive is also discourteous. These behaviors are not acceptable, and SPEA faculty and staff will address these problems as they arise either in class or on an individual basis.

Disorderly conduct that interferes with teaching, research, administration, or other university or university-authorized activity will not be tolerated and will be reported immediately to the Office of the Dean of Students for disposition, which may result in disciplinary action, including possible suspension and/or expulsion from the university. Responsibilities and expectations of students and faculty can be found at <http://registrar.iupui.edu/misconduct.html>.

### **Academic Misconduct**

Students are responsible for upholding and maintaining academic and professional honesty and integrity (*IUPUI Code of Student Rights, Responsibilities, and Conduct*, available at <http://www.iupui.edu/code/>, Part II Student Responsibilities, G).

Plagiarism is the most common academic misconduct violation, and some students, who have been disciplined for plagiarism, have said they were not aware that they had plagiarized their work. Be aware that 'not knowing' does not excuse academic misconduct – every student is responsible for knowing the rules. The IU School of Education's 'How to Recognize Plagiarism' is an on-line tutorial that can help you avoid plagiarism. It can be accessed at <http://www.indiana.edu/~istd/>. If you have any questions about what constitutes academic misconduct for a course you are taking, be sure to ask the instructor for an explanation.

All faculty have the responsibility of fostering the "intellectual honesty as well as the intellectual development of students" and part of this responsibility means that faculty must investigate cases of potential academic misconduct promptly and thoroughly. Faculty members also have the responsibility of taking appropriate action when academic misconduct occurs. The penalties for academic misconduct include but are not limited to lowering a grade on an assignment, lowering a course grade, or failing a student for a course. Significant violations of the *Code* can result in expulsion from the University.

SPEA faculty take their responsibilities seriously and do not tolerate cheating, plagiarism, or any other form of academic misconduct. If you have not done so, you should read about your responsibilities in the *IUPUI Code of Student Rights, Responsibilities, and Conduct* to ensure that you understand what these terms mean and what penalties can be issued for academic misconduct.

The *IUPUI Code of Student Rights, Responsibilities, and Conduct* defines four areas of academic misconduct: cheating, fabrication, plagiarism, and interference. The prohibited activities and actions include the following:

1. **Cheating.** A student must not use or attempt to use unauthorized assistance, materials, information, or study aids in any academic exercise, including, but not limited to, the following:
  - a. A student must not use external assistance on any "in-class" or "take-home" examination, unless the instructor specifically has authorized external assistance. This prohibition includes, but is not limited to, the use of tutors, books, notes, and calculators.
  - b. A student must not use another person as a substitute in the taking of an examination or quiz.
  - c. A student must not steal examinations or other course materials.
  - d. A student must not allow others to conduct research or to prepare work for him or her without advance authorization from the instructor to whom the work is being submitted. Under this prohibition, a student must not make any unauthorized use of materials obtained from commercial term paper companies or from files of papers prepared by other persons.
  - e. A student must not collaborate with other persons on a particular project and submit a copy of a written report which is represented explicitly or implicitly as the student's individual work.
  - f. A student must not use any unauthorized assistance in a laboratory, at a computer terminal, or on field work.

- g. A student must not submit substantial portions of the same academic work for credit or honors more than once without permission of the instructor to whom the work is being submitted.
- h. A student must not alter a grade or score in any way.

2. **Fabrication.** A student must not falsify or invent any information or data in an academic exercise including, but not limited to, records or reports, laboratory results, and citations to the sources of information.

3. **Plagiarism.** A student must not adopt or reproduce ideas, words, or statements of another person without appropriate acknowledgment. A student must give credit to the originality of others and acknowledge an indebtedness whenever he or she does any of the following:

- a. Quotes another person's actual words, either oral or written;
- b. Paraphrases another person's words, either oral or written;
- c. Uses another person's idea, opinion, or theory; or
- d. Borrows facts, statistics, or other illustrative material, unless the information is common knowledge.

4. **Interference.**

- a. A student must not steal, change, destroy, or impede another student's work. Impeding another student's work includes, but is not limited to, the theft, defacement, or mutilation of resources so as to deprive others of the information they contain.
- b. A student must not give or offer a bribe, promise favors, or make threats with the intention of affecting a grade or the evaluation of academic performance.

### **Communication between Faculty and Students**

In order to verify the identity of all parties involved, effective September 1, 2004, all email communication from current SPEA students to SPEA staff must originate from an Indiana University email account. For email communication with SPEA faculty, current SPEA students should refer to course syllabi for instructors' preferences (Oncourse, Webmail, etc.). This policy applies to current students only. Instructions for forwarding your IUPUI email to another account can be found at <http://uits.iu.edu/scripts/ose.cgi?berh.def.help>.

### **Students Needing Support From Counseling and Psychological Services**

SPEA encourages any student who has concerns about their personal welfare to seek assistance with the professionally trained counselors of the IUPUI Counseling and Psychological Services (CAPS). CAPS provides direct professional psychological services, including crisis response, counseling, assessment and referral to all IUPUI students. More information can be found at <http://life.iupui.edu/caps/>.

### **Students Needing Support From Adaptive Educational Services**

**Students needing accommodations because of a disability will need to register with Adaptive Educational Services (AES) and complete the appropriate forms issued by AES before accommodations will be given. The AES office is located in Taylor Hall, UC 100. You can also reach the office by calling 274-3241. Visit <http://aes.iupui.edu/> for more information.**

### **Students Called to Active Duty**

SPEA encourages any student who is in the Indiana Military Reserves and is called to active duty to finish his/her coursework if at all possible. Students who cannot complete their courses have the option of withdrawing with 100% fee refund, but this request must be made within one week of being called to active duty. Students who are called to active duty may qualify for an incomplete (provided that all the above criteria have been met). For further information, please see the Office of the Registrar's website at <http://veterans.iupui.edu/resources/withdrawal/>.

### **FLAGS System**

SPEA faculty will be using IU's FLAGS System (Fostering Learning, Achievement, and Graduation Success) to provide real-time feedback on student performance in the course. Periodically throughout the semester, data on factors such as class attendance, participation, and success with coursework, etc. will be entered with suggestions on ways to improve performance. Students may access this information in the student center: Onestart > Student Services page > Student Center > My Academics and Grades > My Grades.

### **Administrative Withdrawal (AW)**

If this class is utilizing the Administrative Withdrawal (AW) Policy, a student could be withdrawn from the class if they miss more than half of the required class activities within the first 25% of the course. More information can be found in the attendance and/or assessment portion of the syllabus if this policy is being used.

## Course Withdrawals

Students who stop attending class without properly withdrawing from the class will receive a grade of F. It is important to withdraw from a course within specified timeframes (see chart below). Note that withdrawals after Week 12 of a regular session or Week 4 of a summer session are rarely granted. **Poor performance in a course is not grounds for a late withdrawal.**

Withdrawal forms will not be processed in the Office of the Registrar after the last day of classes. Any requests for a late withdrawal after the last day of classes must go through the grade appeal process, but each student should remember that in accordance with campus policy, SPEA does not permit a student to withdraw from a course if he/she has completed the course requirements. Grade replacement should be used in this case. See the Office of the Registrar's website at <http://registrar.iupui.edu/withdraw.html> for more information. To withdraw, obtain a withdrawal slip (DROP/ADD Form) from the SPEA Student Services window. Instructions for completing it are given on the form.

Withdrawal Deadlines	
Course deleted from record, no grade assigned, 100% refund (Advisor signature <b>IS NOT</b> required)	Week 1 (last day)
Withdrawal with automatic grade of W (Advisor signature <b>IS</b> required)	Week 2– Week 7 (regular session) Week 2 – Week 3 (summer session)
Withdrawal with grade of W or F (Advisor and instructor signatures <b>ARE</b> required)	Week 8 – Week 12 (regular session) Week 3 – Week 4 (summer session)

## Incompletes

A grade of incomplete (I) indicates that a 'substantial portion' of the work in a course has been satisfactorily but not entirely completed by the student as of the end of the semester. The incomplete can be given to a student facing a hardship such that such that it would be unjust to hold the student to the established time limits for completing the work. To be eligible for the incomplete in a SPEA course, the student's work must be of passing quality, and the student must have completed 75% of the course requirements. **Poor performance in a course is not grounds for an incomplete.** SPEA follows the campus guidelines, which may be accessed at the Office of the Registrar's website at <http://registrar.iupui.edu/incomp.html>, in awarding incompletes. Incompletes must be removed within a time period not to exceed one year after the semester in which the student was enrolled in the course. The incomplete will revert to an 'F' if the work is not completed within the allotted timeframe established by the instructor.

## Grade Changes

Under certain circumstances, students can seek grade changes for previously taken courses if they believe that a grade has been calculated or assigned incorrectly. A student who is seeking a grade change must first contact the instructor and ask for the grade change. In the event the instructor does not change the grade, the student can file a Change of Grade Petition with the Registrar's Office. **In SPEA, a student has 90 days after the conclusion of a course to appeal a grade.** In cases of extenuating circumstances, SPEA may consider petitions filed after this date. SPEA will review the request and make a final decision on a case-by-case basis. The Change of Grade petition form is located at the Office of the Registrar's website at <http://registrar.iupui.edu/grdfm.html>.

## Final Exam Schedule

If a final exam is given, it must be held on the day and time set in the final exam schedule. If an instructor has changed the final exam date, the student should first consult with the instructor. Students who have more than three final exams in one day or insufficient time to get from one exam to another should consult with their instructors to resolve these conflicts. If a student is not able to resolve a final exam problem with the instructor, the student may report the problem to the Director of the program. Tests or major writing assignments may not be required during the week before the formal final exam week unless assigned or announced at the beginning of the semester. See the Office of the Registrar's website at <http://registrar.iupui.edu/final-policy.html> for the policy and final exam week schedule.