Background: This one-quarter class in the economics of state and local governments covers topics such as property, sales, and income taxation, as well as nontax revenue sources such as lotteries and user fees; intergovernmental grants; education finance; capital projects and debt finance; and local economic development.

Goals of class: Use applied tools of microeconomics and simple data analysis to analyze spending and revenue-raising choices of state and local governments in the United States. Use Tiebout local public goods framework to motivate rationale for local government service provision. Throughout the quarter, students will be introduced to a variety of data sources commonly used to describe and analyze the fiscal choices and conditions of sub-national governments in the United States. Students completing this course will be able to:

- Assess the efficiency, equity and revenue productivity effects of income, sales and excise, and property tax and nontax revenue policy choices of subnational governments.
- Analyze the economics of selected locally provided services and programs (e.g., primary and secondary education; Medicaid).
- Analyze the funding and financing options for infrastructure investments.
- Assess the financial viability and policy reforms for state and local government pension programs.
- Assess the consequences of local economic development policies.

Prerequisites: Pre-requisites for the courses are the two-quarter core sequence in microeconomics, PP32300 and PP32400, or their equivalent.

Relationship to Certificate in Municipal Finance: This course is required as part of the certificate program; see http://harris.uchicago.edu/centers/municipal-finance/certificate.

Format of class: Lectures, discussions, and in-class exercises. We meet in Keller 0010 on Mondays and Wednesdays, 11:00 am to 12:20 pm. Please also note “make-up” classes scheduled for October 15, 22, and 29, from 5:00 to 6:20 pm in Keller 2112.

Office Hours: I will announce office hours via Canvas.

Teaching assistant: We may have one or TAs for this course; if and when arranged, I will share details.
Use of web and email: I will post course materials to the university’s CANVAS web-based course management system: the URL is http://courses.uchicago.edu. Students are responsible for any and all material posted there. I admit that I have limited Canvas experience, so please be patient as I learn how to use the platform most effectively. I encourage the use of email and try to respond in a timely fashion. My email address is pworthington@uchicago.edu. I do not text, tweet, or Facebook message regarding course matters, so please check your UNIVERSITY OF CHICAGO email and CANVAS regularly.

Use of electronic devices in class: You may NOT use your laptop or smartphone during class. You may not consult smart watches, wear Google glasses, or use any other “smart” items. My responsibility is to make class time useful, engaging, and rewarding, and yours is to participate fully. If class becomes boring, tell me so I can make adjustments.

Academic integrity: Just a reminder about the importance of meeting the University’s expectations regarding academic integrity: please review this excerpt from the University’s “Student Manual of University Policies and Regulations: Student Conduct” guide https://studentmanual.uchicago.edu/academic-policies/academic-honesty-plagiarism/

It is contrary to justice, to academic integrity, and to the spirit of intellectual inquiry to submit the statements or ideas of work of others as one's own. To do so is plagiarism or cheating, offenses punishable under the University's disciplinary system. Because these offenses undercut the distinctive moral and intellectual character of the University, we take them very seriously and punishments for them may include expulsion from the University.

Proper acknowledgment of another's ideas, whether by direct quotation or paraphrase, is expected. In particular, if any written or electronic source is consulted and material is used from that source, directly or indirectly, the source should be identified by author, title, and page number. Any doubts about what constitutes "use" should be addressed to the instructor.

Please note that these expectations apply to all assignments and “deliverables” in this class, in which your submitted work represents your commitment that it is your own independent work and that you have relied on no other individuals or resources, except as explicitly specified in the assignment instructions, in producing this work. I might also note that any chart, graph, or table you create should also contain complete source information as indicated. I strongly encourage you to consider using a citation manager program to help manage your references and bibliographies (http://guides.lib.uchicago.edu/c.php?g=297307&p=1984557. Questions? Please contact me directly.

Professionalism: Students are expected to act with professionalism and respect throughout this course. This includes, but is not limited to, being on time to class and for any outside-the-classroom study group meetings; not using electronic or “smart” devices during class time; and generally acting in a fashion consistent with the young professionals you are now becoming. For discussions of these and related issues, I encourage each of you to read these articles from the Wall Street Journal and the New York Times: http://online.wsj.com/article/SB100014241278873245777304579054922229616730.html and http://www.nytimes.com/2013/09/29/fashion/technology-and-the-college-generation.html?ref=style.
Students with disabilities: Any students requesting accommodations related to disabilities should contact me to make proper arrangements. Please be prepared to share your documentation from the Dean of Students regarding appropriate accommodations.

Name cards: I will distribute name “tents” to all students in the class; please bring these and use them each day in class so I can learn your names more quickly.

Background resources, websites, and organizations: In addition to the ones appearing on the reading list below, you may find this list helpful: Federation of Tax Administrators; National Conference of State Legislators; Tax Foundation; Civic Federation; Illinois Policy Institute; Center for Budget and Policy Priorities; Center on Tax and Budget Accountability; National League of Cities; Government Finance Officers Association.

Student assignments and exams: Students will be assessed solely on individual work efforts and products. Students taking the class pass/fail must complete all assignments and receive passing grades on all assignments to receive a “pass” grade for the course. Here is a tentative list of assignment types and weights:

- Unannounced quizzes (2 or 3) [10%]
- Short problem sets [20%]
- Memos/written assignments (2) [20%]
- Class participation [10%]
- Final exam [40%]: Wednesday December 4, in class at 11:00 am

Class schedule (TBD)

Please note the following special dates and events for this course:

- No class on Wednesday, October 9 (Yom Kippur)
- No class on Monday, October 21 (out of town)
- Make-up classes on Tuesdays: October 15, 22, and 29, 5:00 to 6:20 pm, Keller 2112
- Final exam in class on Wednesday, December 4

Readings (TBD)