

Fall 2022: State and local public finance PPHA 32100
Syllabus: September XX, 2022

Information about this course

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:

- Review and analyze the economic factors shaping the fiscal structure of subnational governments in the United States.
- 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; public safety; infrastructure).
- Assess the financial viability and policy reforms for state and local government pension programs.
- Assess the consequences of local economic development policies.
- Use publicly available datasets to investigate these topics.
- Improve ability to create and interpret meaningful graphs and tables.

Prerequisites

Pre-requisites for the courses are the two-quarter core sequence in microeconomics, PP32300 and PP32400, or their equivalent. Students are also expected to have basic proficiency with Microsoft Office (Word, Excel, PowerPoint) and either R or Stata for data analysis.

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>. Please note that students may NOT take this course pass/fail if they intend to complete this certificate.

How this class will work

- We will meet in person, twice weekly: Tuesday and Thursday mornings, 9:30 am to 10:50 am, in Keller 0021. Our first class meeting is Tuesday, September 27, and our last meeting is Thursday, December 1.
- Class time will be devoted to lectures, working through examples of problems, in-class activities, and student-led presentations and discussions. Outside of class, students will be expected to watch a limited number of pre-recorded video lectures.
- Each week, I will post a README page in the relevant Canvas module; that file will contain links to readings, the exact schedule for the week, lecture notes, and links to videos and other materials. These README pages will be the basic way I communicate our plans and announce any needed adjustments during the term.
- I will hold regular office hours via Zoom. I will finalize and place on Canvas schedules.

Special dates

- This class meets for nine weeks starting on Tuesday, September 27.
- Class *does not* meet during the week of Thanksgiving; so no class on Tuesday November 22 or Thursday November 24.
- We *do* meet the week following Thanksgiving; our last regularly scheduled class will be Thursday, December 1.

Readings and topics

A separate reading list and schedule will be provided for students. That said, here is the basic list of topics we will cover, with the last few dependent on time available and student preferences:

- What *do* state and local governments do? What *should* they do?
- Principles of public finance
- Demand for local public services
- Fiscal federalism: who should do what?
- Principles of taxation
- Property taxation
- Sales and excise taxation
- Individual income taxation
- Taxation of business
- Growth, tax reform, and inequality
- User fees and congestion charges
- Intergovernmental grants: general; Medicaid; education finance

- Debt, borrowing, and infrastructure
- Pensions and Other Post-Employment Benefits (OPEBs)
- Local economic development

Student assignments

I have planned the following **tentative** assignments for this class, all individual and no group assignments, with grading weight and due dates as follows:

- Description of one selected own-source revenue for the state of Illinois (20%), Friday October 7
- Analysis of U.S. city finances (20%), Friday October 21
- “Referee report” on one selected paper (20%), Friday November 11
- Analysis of education funding in the U.S. and in Illinois (20%), Friday November 18
- Final memo re: topic TBD (20%), Monday December 6

Grading policies and procedures

- As a general matter, submitted student work will be evaluated in multiple domains, including but not limited to the responsiveness to the assignment prompt; writing style and mechanics; analytical depth; clarity and professional appearance of graphs and tables; and creativity and initiative.
- Students are expected to include full citations in any written work; these can be “in-line” citations or footnotes. While that practice is not standard in many “real-world” settings, I insist on it here to cultivate our responsibility of being accurate and careful in all of our work. I will provide examples and post to Canvas. Please use Chicago Manual of Style norms for your references, and **include the URL of any online resource you list.**
- 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.
- [TBD] Student work must be uploaded via Canvas or Gradescope by the due date to receive full credit. Late submissions will be penalized by 10% if received within 24 hours of the due date and time and by 20% if received within 48 hours of the due date and time. No work will be accepted beyond the 48-hour threshold.
- Some assignments will be handled via Gradescope, with others possibly handled via Canvas. Instructions for each assignment will clarify our plans. Students can access Gradescope from the Canvas class site, and it is expected that you follow the specific instructions of Gradescope when submitting via that platform: in particular, students shall upload a pdf document of their work with all the answers, and need to select all pages that apply for each question for the grading to be done correctly.
- Students requesting regrade requests must submit requests either via Gradescope (if originally submitted there) or by email (if otherwise). You should explain why the work should be reconsidered. If solutions to the work have been made available, students must discuss why their work deserves additional credit vis-à-vis the solutions. Any regrade requests must be submitted no later than 7 days after the return of the graded work.

- Individual assignments will be graded on a points basis (e.g., “37 out of 40 possible points”); weighted using the grading weights given above; and then summed for a final course score at the end of the term. Letter grades corresponding to those course scores will be based on an informal curve; in previous years, between 20 and 25% of students earned an A; a somewhat higher percent earned A-; and so on. I award very few grades of B- or lower in this class—in fact, I hope to award none in that range!

Teaching assistant

We are fortunate to have Sam Zuckert serving as a TA this term; Sam’s email address is szuckert@uchicago.edu. Sam will hold office hours TBD, assist with various elements of the course, and will be responsible for a significant share of the grading.

Teaching and learning in person, dual-modality, and/or remote environments

This course is planned as an in-person experience, and students are expected to attend class at the Keller Center, with some exceptions as discussed below. Our practices and expectations include the following:

- We will follow all University-level guidance and policies regarding masking and other on-campus health and safety measures; the [UChicago Forward](#) site will have the most up-to-date information.
- Students wishing to take this class fully remotely must contact our Dean of Students, Kate Shannon Biddle, at kbiddle@uchicago.edu.
- If you are ill, in quarantine, or experiencing COVID symptoms, please do not come to class! Instead, please email me and the TA for accommodations. I will record our class sessions and make recordings available (ex post) to students with approved absences.
- If I become ill or for some reason cannot teach in person, I will teach remotely via Zoom and will share details in advance.
- We will use seating charts to facilitate any needed contact tracing.
- Wearing masks is recommended but optional.
- Students are welcome to drink (non-alcoholic!) beverages in class. Save the other beverages for happy hour!
- Please display your name tent every class so that I can more easily call on you by name.
- I will wear a face mask while in the classroom.

All this said, of course, public health and/or personal health circumstances vary across individual members of the University community and may change abruptly with limited notice. Please try to stay flexible and keep me informed as needed throughout the term, and I will try to do the same.

Communications preferences

I encourage the use of email and try to respond in a timely fashion. Please be direct and clear with the subject line of your messages! And please do not use the Inbox/Messaging feature of

Canvas to communicate with me. I also do not text, tweet, or Facebook message regarding course matters, and I don't even use Slack! So please check your UNIVERSITY OF CHICAGO email and CANVAS regularly.

Harris School and University of Chicago Resources and Policies

No surprises here, but all University and Harris School policies apply to this course. Useful information can be found as follows:

- General [University Policies](#)
- [Academic Polices](#) at the University
- University's [Student Manual](#)
- [Harris School Policies](#)
- Policies on audio and video recordings:
<https://teachingremotely.uchicago.edu/recording-policy/>
<https://teachingremotely.uchicago.edu/recording-deletion-policy/>

Resources Available to Students

- Harris School supports are described here: <https://harris.uchicago.edu/student-life/dean-of-students-office/academic-support-programs>
- From the home page of the University's [Learning Remotely](#) site, links to learning and health and well-being resources are provided: <https://wellness.uchicago.edu/> and <https://learningremotely.uchicago.edu/learning-resources/>.
- Students needing urgent mental health care can speak with clinicians over the phone 24/7 by calling (773) 702-3625.

Academic Integrity

All University of Chicago students are expected to uphold the highest standards of academic Integrity and honesty. Among other things, this means that students shall not represent another's work as their own, use un-allowed materials during exams, or otherwise gain unfair academic advantage.

- The University's policies regarding academic integrity and dishonesty are described [here](#). It is worth explicitly stating the University's approach: "It is contrary to justice, academic integrity, and to the spirit of intellectual inquiry to submit another's statements or ideas as one's own work. 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."
- The Harris School's student policies are available on the [policies page of our website](#).
- Any students suspected of academic dishonesty will be reported to the Harris Dean of Students (Kate Shannon Biddle) for investigation and adjudication. The disciplinary process can result in sanctions up to and including suspension or expulsion from the

University. In addition to those penalties, I reserve the right to assign a grade of “F” for any assignment for which a student is found to have committed academic dishonesty.

Disability Accommodations

- The University’s policies regarding students with disabilities are available [here](#). The University of Chicago is committed to ensuring equitable access to our academic programs and services. Students with disabilities who have been approved for the use of academic accommodations by Student Disability Services (SDS) and need a reasonable accommodation(s) to participate fully in this course must follow the [procedures established by the Harris School of Public Policy](#).
- Students with approved accommodations must notify the Harris Student Disability Liaison, Eman Alsamara (ealsamara@uchicago.edu) of their access requests by the end of the first week of the quarter.

Diversity and Inclusion

The Harris School welcomes, values, and respects students, faculty, and staff from a wide range of backgrounds and experiences, and we believe that rigorous inquiry and effective public policy problem-solving requires the expression and understanding of diverse viewpoints, experiences, and traditions. The University and the Harris School have developed distinct but overlapping principles and guidelines to insure that we remain a place where difficult issues are discussed with kindness and respect for all.

- The University’s policies are available [here](#). Specifically, the University identifies the freedom of expression as being “vital to our shared goal of the pursuit of knowledge, as is the right of all members of the community to explore new ideas and learn from one another. To preserve an environment of spirited and open debate, we should all have the opportunity to contribute to intellectual exchanges and participate fully in the life of the University.”
- The Harris School’s commitments to lively, principled, and respectful engagement are available [here](#) and clearly articulate expectations around building an environment that welcomes diverse perspectives, does not avoid “difficult conversations,” and engages all in respectful listening and speaking in the classroom.
- Students whose first language is not English are especially encouraged to participate regularly in class, sharing their ideas, questions, and perspectives. We welcome all!

Video and Audio Recordings

The University has developed specific policies and procedures regarding the use of any video/audio recordings: these policies are explicitly described in the University’s [student manual](#) as well as in the guidelines for instructors available [here](#). Specifically, by attending course sessions, students acknowledge that:

- They will not: (i) record, share, or disseminate University of Chicago course sessions, videos, transcripts, audio, or chats; (ii) retain such materials after the end of the course; or (iii) use such materials for any purpose other than in connection with participation in the course.
- They will not share links to University of Chicago course sessions with any persons not authorized to be in the course session. Sharing course materials with persons authorized to be in the relevant course is permitted. Syllabi, handouts, slides, and other documents may be shared at the discretion of the instructor.
- Course recordings, content, and materials may be covered by copyrights held by the University, the instructor, or third parties. Any unauthorized use of such recordings or course materials may violate such copyrights.

DRAFT