

University of Massachusetts Dartmouth
POL 541-7101
State and Local Public Finance
Master of Public Policy

Instructor:

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I am usually available sometime between 9 a.m. - 5 p.m. EST except Saturday. On Sundays, I tend to be online in the morning only. If these times are not convenient for you, please let me know, I will be happy to accommodate your schedule, if possible. Please use email for personal questions only. Otherwise, any questions related to the course should be addressed in the question and answer discussion board.

Course Description and Overview

State and local government make up a substantial part of the U.S. economy. In fact, most government services that affect everyday life are provided and largely financed by state and local governments. These include police and fire protection, street and road maintenance and public education. In this course, we will explore how state and local governments make decisions about what services to provide and how to finance them. We will examine the expenditure and revenue decisions of state and local governments, the structures and institutions of sub-national governments, and public sector responses to market failures. Emphasis will be placed on application rather than the fine points of theory.

Course Objectives

- Introduce the theory and practice of state and local public finance in the United States, including justification for the public sector and different layers of government.
- Provide a framework within which student can analyze public policy issues with emphasis on the economics aspects.
- Explore policy issues faced by state and local governments and the impact of these issues on various constituents.
- Provide students the opportunity to conduct an analysis of a local municipality; critically analyzing an economic development project in the municipality and providing recommendations based on information explored in the class.

Text: No text is required for this class. Relevant readings will be made available through the course site. Most of the chapters provided are from *State and Local Public Finance*, 3rd edition by Ronald C. Fisher.

Grading

Grades will be assessed based on the following criteria and corresponding weight:

- Case Memo 20%
- Case Discussions 10%
- Quizzes 15%
- Paper 35%
- Assignments 20%

Grade Distribution:

Your final letter grade will be assigned relative to the overall performance of the class.

As a general guide grades will be distributed as follows:

85 - 100	As
70 - 84	Bs
55 - 69	Cs
> 50	F

Tentative Course Outline

Week 1:

Introduction to Public Finance
Introduction to Fiscal Federalism

Reading: Fisher: Chapters 1-2,
Fisher: Chapter 6: pgs 119-129

Quiz#1

Weeks 2:

Demand for Local Public Services

- A. Fiscal choice with mobility: voting
Majority voting
Median Voter Model: Demand for Public Goods

Reading: Fisher: Chapters 3: pgs 75-84
Chapters 5: pgs 99-111

- B. Public Choice with mobility: Tiebout Model

Reading: Fisher: Chapter 4: pgs 53-64

Quiz#2

Week 3:

Module 5: **Revenues for State and Local Government**
Principles of Tax Analysis

Reading: Fisher: Chapter 12: pgs 295-305

Discussion of Case #1

Quiz#3

Week 4:

Module 6: **Revenues for State and Local Government**

The Property Tax
Institutions and structure
Economic analysis and effects

Reading: Fisher: Chapter 13, 14

Quiz#4

Week 5:

Sales and Excise Tax

Reading: Fisher: Chapter 15

Income Tax

Reading: Fisher: Chapter 16

Quiz#5

Week 6:

Module 9: User Fees

Reading: Fisher: Chapter 8

Discussion of Case #2

Quiz#6

Week 7:

Term Paper