

Fall 2021: State and local public finance PPHA 32100  
Reading List

## General Readings & Resources

### Public Finance

- Good for economic analysis of taxes and spending programs; somewhat dated empirical examples and statistics: Ronald C. Fisher, *State and Local Public Finance*, Fourth Edition, 2016, <https://www.amazon.com/State-Public-Finance-Ronald-Fisher/dp/0765644274>.
- Concise essays with economic analysis of very specific topics (e.g., excise taxes): Palgrave Dictionary Matias Vernengo, Esteban Perez Caldentey, and Barkley J. Rosser, Jr., eds., *The New Palgrave Dictionary of Economics* (Palgrave Macmillan, 2021), <https://link.springer.com/referencework/10.1057/978-1-349-95121-5>.
- Nice, up-to-date facts and figures about state and local taxes and other revenues, particularly the *State of State (and Local) Tax Policy* section: Tax Policy Center, “Tax Policy Center’s Briefing Book,” 2021, [https://www.taxpolicycenter.org/sites/default/files/briefing-book/tpc\\_briefing\\_book\\_2021.pdf](https://www.taxpolicycenter.org/sites/default/files/briefing-book/tpc_briefing_book_2021.pdf).
- Fairly up to date facts and figures on spending as well as revenues: Urban Institute, “State and Local Backgrounders,” Urban Institute, 2021, <https://www.urban.org/policy-centers/cross-center-initiatives/state-and-local-finance-initiative/state-and-local-backgrounders>.

### Data visualization

- North Carolina State University, “LabWrite Resources: Graphing Resources,” accessed September 7, 2021, <https://labwrite.ncsu.edu/res/res-homepage.htm>.
- Jonathan A. Schwabish, “An Economist’s Guide to Visualizing Data,” *Journal of Economic Perspectives* 28, no. 1 (February 1, 2014): 209–34, <https://doi.org/10.1257/jep.28.1.209>.
- Urban Institute, “Urban Institute Data Visualization Style Guide,” accessed October 19, 2020, <https://urbaninstitute.github.io/graphics-styleguide/>.
- Jonathan A. Schwabish, “Ten Guidelines for Better Tables,” *Journal of Benefit-Cost Analysis* 11, no. 2 (ed 2020): 151–78, <https://doi.org/10.1017/bca.2020.11>.

## Readings: Week 1

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC's Briefing Book, and Urban Institute's *State and Local Backgrounders*

- What do state and local governments do? What should they do?
  - COVID & revenues
    - Grant A Driessen and Jane G Gravelle, "State and Local Fiscal Conditions and COVID-19: Lessons from the Great Recession and Current Projections," CRS Insight (Congressional Research Service, July 8, 2020), <https://crsreports.congress.gov/product/pdf/IN/IN11394>.
    - Barb Rosewicz, Justin Theal, and Alexandre Fall, "State Tax Revenue Passes a Recovery Milestone," May 7, 2021, <https://pew.org/3xZOVV0>.
  - Race & revenues
    - Aravind Boddupalli and Kim S. Rueben, "State and Local Government Revenues and Racial Disparities" (Tax Policy Center, March 8, 2021), <https://www.taxpolicycenter.org/publications/state-and-local-government-revenues-and-racial-disparities>.
  - Police spending
    - Libby Doyle and Leah Sakala, "Shifting Police Budgets" (Urban Institute, July 2021), [https://www.urban.org/sites/default/files/publication/104562/shifting-police-budgets-lessons-learned-from-three-communities\\_0.pdf](https://www.urban.org/sites/default/files/publication/104562/shifting-police-budgets-lessons-learned-from-three-communities_0.pdf).
    - Seth A. Williams and David R. Eichenenthal, "The Debate Over Defunding the Police," *Government Finance Review*, October 2020, [https://gfoaorg.cdn.prismic.io/gfoaorg/3f81e162-2ff1-45c4-9135-d5e6b31b0d8e\\_GFR\\_10-2020\\_DebateOverPoliceDefunding.pdf](https://gfoaorg.cdn.prismic.io/gfoaorg/3f81e162-2ff1-45c4-9135-d5e6b31b0d8e_GFR_10-2020_DebateOverPoliceDefunding.pdf).
- Demand for local public services
  - Jan K. Brueckner, *Lectures on Urban Economics* (MIT Press, 2011), Chapter 8.

## Readings: Week 2

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC's Briefing Book, and Urban Institute's *State and Local Backgrounders*

- Fiscal federalism: who should do what?
  - Very nice overview of economic issues, with some basic facts about US and 50-states; no need to read Appendices unless you are interested: Grant A Driessen and Joseph S Hughes, "Fiscal Federalism: Theory and Practice" (Congressional Research Service, June 3, 2020), <https://crsreports.congress.gov/product/pdf/R/R46382>.
  - Journal article comparing how fiscally decentralized system in US responded to COVID vs. the Great Recession—good discussion of who can do—and who did—what: Mariely López-Santana and Philip Rocco, "Fiscal Federalism and Economic Crises in the United States: Lessons from the COVID-19 Pandemic and

Great Recession,” *Publius: The Journal of Federalism* 51, no. 3 (July 26, 2021): 365–95, <https://doi.org/10.1093/publius/pjab015>.

- Short essay critiquing pandemic responses in the US federal system: Richard Kreitner, “When Confronting the Coronavirus, Federalism Is Part of the Problem,” *The Nation*, April 1, 2020, <https://www.thenation.com/article/politics/federalism-coronavirus-problem-government/>.
- Nice, short, early-in-the-pandemic recommendations on how to support local governments during COVID stress: Victoria Perez and Justin M. Ross, “Federalism and Polycentric Government in a Pandemic” (Mercatus Center, George Mason University, April 3, 2020), <https://www.mercatus.org/publications/covid-19-policy-brief-series/federalism-and-polycentric-government-pandemic>.
- Nice overview (optional; read sections 2A-2E and skim the rest if desired): Christopher A. Simon, Brent S. Steel, and Nicholas P. Lovrich, “Chapter 2: Federalism,” in *State and Local Government and Politics: Prospects for Sustainability* (Oregon State University, 2018), <https://open.oregonstate.edu/government/chapter/chapter-2/>.

## Readings: Week 3

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC’s Briefing Book, and Urban Institute’s *State and Local Backgrounders*

No new readings this week! Catch up, and work on your City Finances assignment!

## Readings: Week 4

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC’s Briefing Book, and Urban Institute’s *State and Local Backgrounders*. I highly recommend taking a quick look at the latter two items, the Briefing Book and the relevant *Backgrounder*.

- Property taxation
  - Assessments
    - Lincoln Institute of Land Policy and Minnesota Center for Fiscal Excellence, “Fifty-State Study Details Growing Property Tax Inequities from Assessment Limits,” June 2020, <https://www.lincolninst.edu/news/press-releases/fifty-state-study-details-growing-property-tax-inequities-assessment-limits>.
    - Christopher R. Berry, “Understanding Regressivity,” *Property Tax Project* (blog), accessed September 20, 2021, <https://propertytaxproject.uchicago.edu/related-research-2-3/>.

- Capitalization
  - Byron Lutz, “Quasi-Experimental Evidence on the Connection between Property Taxes and Residential Capital Investment,” *American Economic Journal: Economic Policy* 7, no. 1 (February 2015): 300–330, <https://doi.org/10.1257/pol.20120017>.
  - Jeremy G. Moulton, Bennie D. Waller, and Scott A. Wentland, “Who Benefits from Targeted Property Tax Relief? Evidence from Virginia Elections,” *Journal of Policy Analysis and Management* 37, no. 2 (2018): 240–64, <https://onlinelibrary.wiley.com/doi/full/10.1002/pam.22054>.
- Limitations
  - Iris J. Lav and Michael Leachman, “State Limits on Property Taxes Hamstring Local Services and Should Be Relaxed or Repealed” (Center on Budget and Policy Priorities, July 13, 2018), <https://www.cbpp.org/research/state-budget-and-tax/state-limits-on-property-taxes-hamstring-local-services-and-should-be>.
  - Jared Walczak, “Property Tax Limitation Regimes: A Primer,” Fiscal Fact, April 23, 2018, <https://taxfoundation.org/property-tax-limitation-regimes-primer/>.
  - Jared Walczak, “What Can Connecticut Learn from Its Neighbors About Property Tax Limitations?,” *Tax Foundation* (blog), July 15, 2020, <https://taxfoundation.org/connecticut-property-tax-limitations/>.

## Readings: Week 5

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC’s Briefing Book, and Urban Institute’s *State and Local Backgrounders*. I highly recommend taking a quick look at the latter two items, the Briefing Book and the relevant *Backgrounder*.

- Sales taxation
  - Breadth of tax base
    - Jared Walczak, “State Sales Tax Breadth and Reliance, Fiscal Year 2020,” Fiscal Fact (Tax Foundation, February 2021), <https://files.taxfoundation.org/20210208124500/State-Sales-Tax-Breadth-and-Reliance-Fiscal-Year-2020.pdf>.
    - Nikhita Airi and Frank Sammartino, “How Broad Are State Sales Tax Bases?,” Urban Institute, April 19, 2021, <https://www.urban.org/research/publication/how-broad-are-state-sales-tax-bases>.
  - Remote transactions
    - Alan Greenblatt, “The Supreme Court Decision That Saved States Billions,” *Governing*, January 22, 2021, <https://www.governing.com/finance/The-Supreme-Court-Decision-That-Saved-States-Billions.html>.

- “Sin taxes”
  - Pew Charitable Trusts, “Are Sin Taxes Healthy for State Budgets?,” July 2018, <https://pew.org/2KYf9T2>.
  - Alan Ehrenhart, “A Shot, a Beer and the Ever-Evolving Debate Over Taxing Sin,” *Governing*, October 14, 2021, sec. Assessments, <https://www.governing.com/assessments/a-shot-a-beer-and-the-ever-evolving-debate-over-taxing-sin>.
- Using the revenues
  - Donald Marron and Adele Morris, “How Should Governments Use Revenue from Corrective Taxes?” (Brookings Institute, January 2016), <https://www.brookings.edu/wp-content/uploads/2016/07/How-Should-Governments-Use-Revenue-from-Corrective-Taxes-Marron-Morris-1.pdf>.

## Readings: Week 6

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC’s Briefing Book, and Urban Institute’s *State and Local Backgrounders*.

- Intergovernmental Grants
  - Overview of federal grants to states and local governments: Robert Jay Dilger and Michael H Cecire, “Federal Grants to State and Local Governments: A Historical Perspective on Contemporary Issues” (Congressional Research Service, May 22, 2019), <https://fas.org/sgp/crs/misc/R40638.pdf>.
  - Nice discussion of block grants: Joseph V Jaroscak, Julie M Lawhorn, and Robert Jay Dilger, “Block Grants: Perspectives and Controversies,” February 21, 2020, <https://fas.org/sgp/crs/misc/R40486.pdf>.
  - Estimates how much federal \$ “displace” state and local spending that would otherwise have taken place: Sheila Campbell and Chad Shirley, “Fiscal Substitution in Spending for Highway Infrastructure,” Working Paper (U.S. Congressional Budget Office, October 8, 2021), <https://www.cbo.gov/publication/57430>.

## Readings: Week 7

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC’s Briefing Book, and Urban Institute’s *State and Local Backgrounders*.

- Individual Income Taxation
  - Ted Cox, “Tax Flight: Myth versus Reality,” *IIL* (blog), January 16, 2020, <https://www.oneillinois.com/stories/2020/1/16/tax-flight-myth-versus-reality>.
  - Howard Gleckman, “Do High State Taxes Drive Away Millionaires? Not Really,” *Tax Policy Center* (blog), May 26, 2016, <https://www.taxpolicycenter.org/taxvox/do-high-state-taxes-drive-away-millionaires-not-really>.

- Chris Edwards, “Tax Reform and Interstate Migration,” *Cato Institute* (blog), September 6, 2018, <https://www.cato.org/tax-budget-bulletin/tax-reform-interstate-migration>.
- Business Taxation
  - “Who Bears the Burden of a Corporate Tax?,” *The Economist*, May 15, 2021, <https://www.economist.com/finance-and-economics/2021/05/15/who-bears-the-burden-of-a-corporate-tax>.
- Inequality and Taxes
  - David Splinter, “U.S. Tax Progressivity and Redistribution,” *National Tax Journal* 73, no. 4 (2020): 22, <http://www.davidsplinter.com/Splinter-TaxProgressivity-NTJ.pdf>.

## Readings: Week 8/Education

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC’s Briefing Book, and Urban Institute’s *State and Local Backgrounders*.

- Education finance
  - Inequality and achievement
    - Jill Barshay, “An Analysis of Achievement Gaps in Every School in America Shows That Being Poor Is the Biggest Hurdle,” *The Hechinger Report* (blog), September 23, 2019, <http://hechingerreport.org/an-analysis-of-achievement-gaps-in-every-school-in-america-shows-that-being-poor-is-the-biggest-hurdle/>.
    - Jill Barshay, “A Decade of Research on Education Inequality in America,” *The Hechinger Report* (blog), June 29, 2020, <http://hechingerreport.org/a-decade-of-research-on-the-rich-poor-divide-in-education/>.
  - Title I
    - Elizabeth U Cascio, Nora Gordon, and Sarah Reber, “Local Responses to Federal Grants: Evidence from the Introduction of Title I in the South,” *American Economic Journal: Economic Policy* 5, no. 3 (August 2013): 126–59, <https://doi.org/10.1257/pol.5.3.126>.
    - Kenneth Shores, Hojung Lee, and Nell Williams, “Expanding Title I Could Eliminate K-12 Spending Gaps—If the Funds Are Well Targeted,” *Brookings* (blog), August 19, 2021, <https://www.brookings.edu/blog/brown-center-chalkboard/2021/08/19/expanding-title-i-could-eliminate-k-12-spending-gaps-if-the-funds-are-well-targeted/>.
    - Kenneth Shores, Hojung Lee, and Nell Williams, “Increasing Title I Funds Should Target Largest Sources of School Spending Inequalities—across States,” *Brookings* (blog), August 6, 2021, <https://www.brookings.edu/blog/brown-center-chalkboard/2021/08/06/increasing-title-i-funds-should-target-largest-sources-of-school-spending-inequalities-across-states/>.

- COVID
  - Kristin Blagg, Emily Gutierrez, and Victoria Lee, “How COVID-19-Induced Changes to K-12 Enrollment and Poverty Might Affect School Funding,” Urban Institute, January 15, 2021, <https://www.urban.org/research/publication/how-covid-19-induced-changes-k-12-enrollment-and-poverty-might-affect-school-funding>.
  - Heather J. Hough, “COVID-19, the Educational Equity Crisis, and the Opportunity Ahead,” *Brookings* (blog), April 29, 2021, <https://www.brookings.edu/blog/brown-center-chalkboard/2021/04/29/covid-19-the-educational-equity-crisis-and-the-opportunity-ahead/>.

## Readings: Week 8/Medicaid

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC’s Briefing Book, and Urban Institute’s *State and Local Backgrounders*.

- Medicaid
  - Robin Rudowitz et al., “Medicaid Financing: The Basics,” *KFF* (blog), May 7, 2021, <https://www.kff.org/medicaid/issue-brief/medicaid-financing-the-basics/>.
  - Madeline Guth, Rachel Garfield, and Robin Rudowitz, “The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review,” March 17, 2020, <https://www.kff.org/medicaid/report/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review/>.
  - Robert Wood Johnson Foundation, “Medicaid’s Impact on Health Care Access, Outcomes and State Economies,” February 1, 2019, <https://www.rwjf.org/en/library/research/2019/02/medicaid-s-impact-on-health-care-access-outcomes-and-state-economies.html>.

## Readings: Week 9

Each week, skim as desired relevant entries and sections of the Fisher textbook, Palgrave Dictionary, TPC’s Briefing Book, and Urban Institute’s *State and Local Backgrounders*.

- Infrastructure
  - My lecture notes have links/sources in the notes, so follow up on anything that interests you! But some basic materials could include:
  - Jennifer Bennett et al., “Measuring Infrastructure in the Bureau of Economic Analysis National Economic Accounts,” BEA Working Paper (U.S. Bureau of Economic Analysis, December 2020), <https://www.bea.gov/system/files/papers/BEA-WP2020-12.pdf>.
  - Aatish Bhatia and Quoc Trung Bui, “The Infrastructure Plan: What’s In and What’s Out - The New York Times,” *New York Times*, July 28, 2021, <https://www.nytimes.com/interactive/2021/07/28/upshot/infrastructure-breakdown.html>.

- Public Sector Pensions & OPEBs
  - Brief definitions of plan types, etc.: National Association of State Retirement Administrators, “Retirement Plan Design,” accessed November 22, 2021, <https://www.nasra.org/plandesign>.
  - Overview of state pension plans and most recent figures: Greg Mennis and David Draine, “The State Pension Funding Gap: Plans Have Stabilized in Wake of Pandemic” (Pew Charitable Trusts, September 2021), <https://pew.org/3BO7JHJ>.
  - Policy brief based on longer research paper on whether plan status affects individual savings decisions: Laura Quinby and Geoffrey Sanzenbacher, “Do State and Local Government Employees Save Outside of Their Defined Benefit Plans When They Need To?,” *SSRN Electronic Journal*, 2020, <https://doi.org/10.2139/ssrn.3786223>.