Tuesdays and Thursdays
2:00 PM – 3:20 PM
Remotely via Zoom / TBH 223 (selected sessions)
Office Hours: By appointment via email (mmedward@illinois.edu)

Professor Mary Edwards
mmedward@illinois.edu
217-333-3211 (Office)

Course Description
The intent of this course is to provide students with an understanding of the fundamental concepts of fiscal planning at the state and local levels of government. State and local governments are continuously debating and implementing new policy surrounding finance and the complex emerging financial issues are critical for planners to understand. The course addresses both the theory and methods of state and local finance, but most importantly, it is a course focused on state and local fiscal policy (with some discussion of federal policy). Beyond general concepts including taxation, spending, intergovernmental cooperation, debt financing, development fees and privatization, we will address the following types of policy questions. The course will provide you with a framework to analyze them:

- How do local tax and spending decisions affect patterns of land use?
- What are the equity implications of recent proposals to reform local and state policy?
- With which revenues should local services be provided or does it matter?
- What goals should be achieved through a comprehensive state or local revenue generating policy?
- What are the impacts of efforts of numerous governments to privatize local services?
- How successful are recent efforts to increase equity in school finance?
- How can tax policy be used to provide incentives to preserve farmland and open space?
- What financial tools are available to spur local economic development? Do they work?

Course Objectives
Course objectives include the following:

- To enhance your skills in using a variety of perspectives from which to understand state and local government finance issues.
- To improve your understanding of the links between planning and public finance.
- To explore equity implications of past and recent fiscal policy initiatives
- To build capacity to perform financial analyses.
- To enhance writing and presentation skills.
Assignments, Grading, and Attendance

The main class format will be lecture/discussion. All required readings will be posted to Compass (or website addresses provided to you). Additional recommended readings will also be posted. Participation and involvement is crucial for the success of the sessions. Consistent attendance is required. All assignments are due during class time on the due date. Late assignments will be graded down one letter grade for each day they are late, unless we have discussed an extension due to unforeseen circumstances. Assignments turned in on the day they are due, but after class time will lose ½ a letter grade.

Issues of state and local finance are matters of continuing debate. Students are encouraged to look for articles in the popular media on recent developments in state and local finance in Illinois and in other parts of the country and the world. At the beginning of class on every Tuesday, we will discuss any articles you have read. Every student should be prepared to discuss at least one article during the course of the semester. This will count as part of your class participation grade.

Undergraduate students will be graded on the following:

- Exam 1 15%
- Policy Memo 20%
- Municipal Analysis 20%
- Exam 2 20%
- Team Debates 15%
- Participation/in class activities 10%

Graduate students will be graded on the following:

- Exam 1 15%
- Policy Memo 15%
- Municipal Analysis 15%
- Exam 2 20%
- Team Debates 15%
- Participation/in class activities 10%
- Class Facilitation 10%

Graduate students are required to facilitate one class section. Students will work in groups of 3-4 and facilitate discussion around the assigned readings for a particular week. This will include both a presentation and an engaged activity for all students to participate in. Students will sign up for a discussion facilitation week within the first two weeks of the class.
Transformation of numerical grade to letter grade will be according to the schedule below:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Numerical Range</th>
<th>Grade</th>
<th>Numerical Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>93-100</td>
<td>C+</td>
<td>77-79.9</td>
</tr>
<tr>
<td>A-</td>
<td>90-92.9</td>
<td>C</td>
<td>73-76.9</td>
</tr>
<tr>
<td>B+</td>
<td>87-89.9</td>
<td>C-</td>
<td>70-72.9</td>
</tr>
<tr>
<td>B</td>
<td>83-86.9</td>
<td>D+</td>
<td>67-69.9</td>
</tr>
<tr>
<td>B-</td>
<td>80-82.9</td>
<td>D</td>
<td>60-66.9</td>
</tr>
</tbody>
</table>

The general grading rubric for assignments is as follows:

An “A” assignment demonstrates original thought and synthesis of ideas and sophisticated, cogent analysis. It is clearly written and presented.

A “B” assignment includes above average analysis with appropriate evidence to support ideas. It is clearly written and presented.

A “C” assignment shows a basic level of understanding, with analysis limited to obvious arguments. Writing is competent. It is adequate work.

A “D” assignment misunderstands or misrepresents the material or is so poorly written that it obscures the analysis. It is inadequate work.

Course Policies and Student Resources

Our Tuesday course sessions will be delivered via remote instruction using Zoom at our designated time of 2-3:20pm. Throughout the semester, there will be times where I will offer the option of meeting in person on Thursdays in our scheduled classroom (TBH 223) or outside. These in-person opportunities for engagement will be communicated in class as the semester progresses. Please note that in person engagement is always optional, regardless of which section you registered for.

Student Conduct: The Department of Urban and Regional Planning (DURP) is committed to creating an environment of inclusion and opportunity that is rooted in the very goals and responsibilities of practicing planners. Conduct that interferes with the rights of another or creates an atmosphere of intimidation or disrespect is inconsistent with the environment of learning and cooperation that the program requires. By enrolling in class in the Department of Urban and Regional Planning, students agree to be responsible for maintaining a respectful environment in all DURP activities, including classes, projects, and extracurricular programs. We will be governed by the University Student Code. See Student Code Article 1—Student Rights and Responsibilities, Part 1. Student Rights.

Academic Integrity: The UIUC Student Code requires all students to support academic integrity and abide by its provisions, which prohibit cheating, fabrication, plagiarism, and facilitation of these and related infractions. According to Section § 1-401, “students have been given notice of
this rule by virtue of its publication” and “regardless of whether a student has actually read this rule, a student is charged with knowledge of it. Ignorance is not a defense.” The provisions of the Student Code are applicable to this course. In written work, all ideas (as well as data or other information) that are not your own must be cited. Plagiarism is an extremely serious offense and will not be tolerated, as it violates the trust between students and faculty. Violation of any plagiarism guidelines will be taken quite seriously and will result in a failing grade at the very least.

**Zoom camera use:** When we meet over Zoom, I encourage use to use video when possible.

**Health and Safety in the Classroom:** Following University policy, all students are required to engage in appropriate behavior to protect the health and safety of the community, including wearing a facial covering properly, maintaining social distance (at least 6 feet from others at all times), disinfecting the immediate seating area, and using hand sanitizer. Students are also required to follow the campus COVID-19 testing protocol.

Students who feel ill must not come to class. In addition, students who test positive for COVID-19 or have had an exposure that requires testing and/or quarantine must not attend class. The University will provide information to the instructor, in a manner that complies with privacy laws, about students in these latter categories. These students are judged to have excused absences for the class period and should contact the instructor via email about making up the work.

Students who fail to abide by these rules will first be asked to comply; if they refuse, they will be required to leave the classroom immediately. If a student is asked to leave the classroom, the non-compliant student will be judged to have an unexcused absence and reported to the Office for Student Conflict Resolution for disciplinary action. Accumulation of non-compliance complaints against a student may result in dismissal from the University.

**Student Resources:**

**Accommodations:** To obtain disability-related academic adjustments and/or auxiliary aids, students with disabilities must contact the course instructor and the Disability Resources and Educational Services (DRES) as soon as possible. To contact DRES, you may call 333-4603 (V/TDD), or e-mail a message to disability@uiuc.edu. [http://www.disability.illinois.edu/](http://www.disability.illinois.edu/).

**Student Assistance:** The Student Assistance Center serves as the first point of contact for students who call, email, or walk in to the Office of the Dean of Students. The Assistant Deans help students understand university policies and procedures, educate them about and connect them to campus resources, and support students in crisis. Students visit the Student Assistance Center regarding a broad range of issues which may be impacting their academic performance including those related to health/mental health, course attendance issues, questions about
where to go on campus to seek different services, options for withdrawing from the university, or because they need help and just aren’t sure where to go. The Student Assistance Center helps students find their way!  http://odos.illinois.edu/community-of-care/student-assistance-center/

Sexual Misconduct and Reporting: The University of Illinois is committed to combating sexual misconduct. Faculty and staff members are required to report any instances of sexual misconduct to the University’s Title IX and Disability Office. In turn, an individual with the Title IX and Disability Office will provide information about rights and options, including accommodations, support services, the campus disciplinary process, and law enforcement options.
A list of the designated University employees who, as counselors, confidential advisors, and medical professionals, do not have this reporting responsibility and can maintain confidentiality, can be found here: wecare.illinois.edu/resources/students/#confidential. Other information about resources and reporting is available here: wecare.illinois.edu.

Emergency Response: Emergency response recommendations can be found at the following website: http://police.illinois.edu/emergency-preparedness/. I encourage you to review this website and the campus building floor plans website within the first 10 days of class. http://police.illinois.edu/emergency-preparedness/building-emergency-action-plans/
### Weekly Schedule of Themes and Due Dates

<table>
<thead>
<tr>
<th>Week</th>
<th>Date</th>
<th>Lecture/Activity/Discussion Topics</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Aug. 25</td>
<td>Introduction to Course and classmates</td>
</tr>
<tr>
<td></td>
<td>Aug. 27</td>
<td>Public Finance and Planning: Why Should Planners know Finance?</td>
</tr>
<tr>
<td>2</td>
<td>Sep. 1</td>
<td>Fiscal Federalism</td>
</tr>
<tr>
<td></td>
<td>Sep. 3</td>
<td>Case Study Exercise: COVID 19 exposes challenges to federalism</td>
</tr>
<tr>
<td>3</td>
<td>Sep. 8</td>
<td>Government Structure: Trends and Issues</td>
</tr>
<tr>
<td></td>
<td>Sep. 10</td>
<td>Case Study Exercises: Fire Protection Fees, Funding Libraries</td>
</tr>
<tr>
<td>4</td>
<td>Sep. 15</td>
<td>The Property Tax: Mechanics</td>
</tr>
<tr>
<td></td>
<td>Sep. 17</td>
<td>APA-IL Conference</td>
</tr>
<tr>
<td>5</td>
<td>Sep. 22</td>
<td>Revenue Sources beyond the property tax</td>
</tr>
<tr>
<td></td>
<td>Sep. 24</td>
<td>Discussion: Evaluating revenue sources: equity, efficiency, neutrality</td>
</tr>
<tr>
<td>6</td>
<td>Sep. 29</td>
<td>Tax Exemption for Charitable Purposes</td>
</tr>
<tr>
<td></td>
<td>Oct. 1</td>
<td>Case Study Exercise: Carle Foundation Hospital</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EXAM 1 DUE</td>
</tr>
<tr>
<td>7</td>
<td>Oct. 6</td>
<td>Municipal Budgeting: Principles and Approaches</td>
</tr>
<tr>
<td></td>
<td>Oct. 8</td>
<td>Case Study Exercise: Financial impacts of COVID-10</td>
</tr>
<tr>
<td>8</td>
<td>Oct. 13</td>
<td>Education Finance: Equity and Resources</td>
</tr>
<tr>
<td></td>
<td>Oct. 15</td>
<td>Discussion: Equity and K-12 education</td>
</tr>
<tr>
<td>9</td>
<td>Oct. 20</td>
<td>Economic Development Finance: TIF Basics</td>
</tr>
<tr>
<td></td>
<td>Oct. 22</td>
<td>Financing the Preservation of Farms, Open Space and Coastal Areas</td>
</tr>
<tr>
<td>10</td>
<td>Oct. 27</td>
<td>Funding and Defunding the Police</td>
</tr>
<tr>
<td></td>
<td>Oct. 29</td>
<td>Case Study Exercise: Rethinking Public Safety</td>
</tr>
<tr>
<td>11</td>
<td>Nov. 3</td>
<td>Election Day! No Class.</td>
</tr>
<tr>
<td></td>
<td>Nov. 5</td>
<td>State and Local Infrastructure + Debt. Management</td>
</tr>
<tr>
<td>12</td>
<td>Nov. 10</td>
<td>Attracting Private Investment: BIDS and State/Local Incentives</td>
</tr>
<tr>
<td></td>
<td>Nov. 12</td>
<td>State and Local Privatization</td>
</tr>
<tr>
<td>13</td>
<td>Nov. 17</td>
<td>Fiscal Impact Analysis</td>
</tr>
<tr>
<td></td>
<td>Nov. 19</td>
<td>Prep for Team Debates</td>
</tr>
<tr>
<td></td>
<td>Nov. 24</td>
<td>Fall Break</td>
</tr>
<tr>
<td>15</td>
<td>Dec. 1</td>
<td>Team Debates</td>
</tr>
<tr>
<td></td>
<td>Dec. 3</td>
<td>Team Debates</td>
</tr>
<tr>
<td>16</td>
<td>Dec. 8</td>
<td>Team Debates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EXAM 2 DUE</td>
</tr>
</tbody>
</table>

**Notes**
- **EXAM 1 DUE**
- **MUNICIPAL ANALYSIS DUE**
- **POLICY MEMO DUE**
Course Sessions and Readings

Please note that course sessions, readings, and assignments are subject to change at my discretion.

Week 1 (Week of 8/24): Course Introduction

Glaeser, EL. 2012. Urban Public Finance. National Bureau of Economic Research Working Paper 18244, July. (This is an excellent and comprehensive paper that covers many themes of the class, so please revisit it over the course of the semester)

Lowe, R. Jr. and Olson, A. 2020. Be Counted: Why the Census is So Important and Who is at Risk. The University of Texas at Austin, Institute for Urban Policy Research & Analysis.

Week 2 (Week of 8/31): Fiscal Federalism


Optional Readings:


Week 3 (Week of 9/7): Government Structure: Trends and Issues


Week 4 (Week of 9/14): The Property Tax: Mechanics and Issues


Optional Readings:


Week 5 (Week of 9/21): Revenues Beyond the Property Tax

Review the City of Urbana’s Budget and its major revenue sources: [http://www.urbanaillinois.us/departments/finance/financial-reports/annual-budget](http://www.urbanaillinois.us/departments/finance/financial-reports/annual-budget)


Week 6 (Week of 9/28): Tax Exemption for Charitable Purposes

Week 7 (Week of 10/5): Municipal Budgeting

Week 8 (Week of 10/12): Education Finance
Optional Readings:

Week 9 (Week of 10/19): Economic Development: TIF Basics/Financing Farms and Coasts


**Financing Preservation of Farms and Coasts:**


Optional Reading:


**Week 10 (Week of 10/26): Urban Finance: Policing and Transportation**


Week 11 (Week of 11/2): Infrastructure and Debt Management


Optional Reading:

Week 12 (Week of 11/9): Attracting Private Investment/Privatization


Privatization:


Week 13 (Week of 11/16): Fiscal Impact Analysis


Optional Readings:


Week 14 (Week of 11/23): Fall Break

Week 15 (Week of 11/30): Team Debates

Week 16 (Week of 12/9): Team Debates