**DRAFT**

**State and Local Governments in Fiscal Distress**

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Part I – An Overview

Week 1: Introduction to State and Local Government Law

 Overview of the relationship between states and localities

Overview of municipal fiscal authority

 Readings: Gillette, Baker, and Schleicher

Week 2: The scope of fiscal distress.

 Pension liabilities, legacy costs, debt overhang, theory of interlocal cooperation and limits on revenue raising.

 Readings: State Budget Crisis Task Force Report

 Michelle Wilde Anderson, Minimal Cities

 Urban Institute Report of State Revenues

Part II – The Causes of Fiscal Crisis

Week 3: Fragmented government and structural effects on fiscal health

 Readings: Baqir on Fragmentation

 Shefter on New York City governance

 Inman, How to Have a Budget Crisis

Week 4: Budgeting practices, fiscal illusion

 Readings: Independent Budget Office

Week 5: Debt, debt limitations and their avoidance

 Readings: Amdursky, Gillette, and Bass

Week 6: Pensions and OTPB obligations

 Readings: Pew Charitable Trust Report

 Monahan on Pensions

Part III – Resolving Fiscal Crises

Week 7: Structural reforms and budget constraints

 Readings from IBO; Inman on budget constraints.

Week 8: Pension reforms

Week 9: State oversight and takeovers

 Readings: Gillette, Dictatorships for Democracy

Week 10: Municipal bankruptcy in theory

Week 11: Municipal bankruptcy in practice

 Readings: Detroit opinions

 Vallejo opinions

 Central Falls

Week 12: State Bankruptcy

 Readings: Skeel on State Bankruptcy

Part IV: Case Studies

Week 13: New York City’s fiscal crisis

 Readings: Shefter, Fiscal Crisis, Political Crisis

 Bailey, The Crisis Regime

Week 14: Puerto Rico’s fiscal crisis