**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