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**Essays on Local Governments: Finances and Crime**
(Dissertation)

I study local governments under fiscal stress and local elections of partisan politicians. In the first chapter (my JMP), I explore municipal pensions. Most U.S. cities have defined-benefit pensions for their public workers, creating an obligation that exposes sponsoring cities to shortfall risk. Large funding gaps in recent years have required increased pension payments and generated fiscal stress for cities. To analyze the effect of “pension pressure”, I assembled a novel dataset which captures the universe of cities and their pensions in California from 2003 to 2016. I focus on the changes in city unfunded liability contributions, which are plausibly exogenous to cities’ year-to-year spending needs. Using a first-differenced empirical specification, I find that cities primarily target reductions in non-current expenses, specifically capital investment. I also show that cities cut payrolls and employment. Police employment declines have accompanying increases and decreases in crime and arrest rates, respectively. These estimates imply that pension pressure impairs local public service provision.

The second chapter, coauthored with Brett Fischer (California Policy Lab at UC Berkeley), considers elected district attorneys (DAs), who have wide discretion in criminal prosecution; yet, the extent to which DAs' politics shape their decision-making remains unclear. We evaluate the causal impact of DA partisan affiliation on prosecution rates, sentencing outcomes, and recidivism. Using quasi-random variation in DA partisanship stemming from close elections, we find that the marginal Democratic DA is 25 percent more likely to dismiss criminal cases than Republican counterparts, and 16 percent less likely to incarcerate defendants. Strikingly, defendants in jurisdictions with Democratic DAs are no more likely to reappear in a future criminal case, which is consistent with the notion that criminal prosecutions have limited deterrence or scarring effects. We find similar patterns using an alternative matching specification, suggesting our results capture the average effect of prosecutor partisanship. Our findings underscore the extent to which the punitiveness of the court system depends on the partisanship of local district attorneys.

The prospective third chapter examines the effects of teacher pension performance. Previous research has documented that spending on retirement and other personnel benefits have on average become a larger share of school district budgets. I use pension characteristics and plausibly random differences in investment returns across states to instrument for school district retirement costs and their effect on school district finances and student performance.

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