

# Ethical Issues in Local Government

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# Introduction to Leadership Ethics

# Ethics in Supervision

## “When Can I Squeal?”

As a member of the Senior Management Team, you are aware that budgetary limitations are likely to require reductions in staffing on certain units. You have been asked to keep this information confidential, because the specific decisions as to how the cuts will be made have not yet been finalized. One of your direct supervisees is in the process of buying a new home and has expressed his excitement at finally having a stable enough job to make home ownership possible. Should you warn the employee of the upcoming cuts and recommend that he wait on buying the house until after his position is secure?



# Moral Management

“Being Nice Vs. Being Ethical”

Supererogation

# Moral Management

“Identify the Default Assumptions”

Background Obligations

# Moral Management

## “The Source of Obligation”

What Is Your Role?



# Moral Management

“The Source of Obligation II”

What Are Your Relationships?



# Moral Management

“How Relationships Work”

Tacit Expectations

Explicit Promises



# Moral Management

## “What Ethical Leaders Do”

- Identify Default Obligations
- Recognize Distinct Obligations Across Individuals, Disciplines and Departments
- Prioritize Conflicting Obligations
  - Support Valid Processes

# Identifying The Core Issue

## Confidentiality vs. Boundaries

While discussions around the opening case generally begin with concerns of confidentiality, the core ethical issue is not actually one of privacy. The primary ethical issue in this case is one of boundaries and potential dual relationships.

Leaking vs.  
Whistle Blowing

# Public Service Ethics

## “Someone Has To Blow The Whistle”

While staff member F, who works for the Department of Parks and Recreation, was recently inspecting a walking trail for possible improvement, she noticed a deep ditch along the side of the trail out of which a large amount of garbage seemed to emanating. Upon further study, it became clear that Ms. F had discovered the edge of an old landfill that had been closed decades earlier. The ground was now eroding and leachate was spilling out toward the hiking trail. Ms. F reported the matter to her superior, who brought it to the attention of the Department of Public Works. That department quickly sent a crew in to cover the eroded boundary of the landfill with dirt. Ms. F is concerned, however, that children playing in the neighborhood center that is now adjacent to the old landfill site could be exposed to harmful substances. She is told to keep her mouth shut, however, since the landfill was closed before environmental regulations required ongoing monitoring and remediation of the site could cost millions of dollars if anyone makes a fuss. Ms. F is now considering leaking the story to the press. How should she proceed?



# The Structure of Ethical Argument

The Process of Moral Reasoning

The Default Assumption

The Burden of Proof

Casuistic Exploration

Application to the Current Case

# The Ethics of Whistleblowing

Satisfaction of the Burden of Proof

Actual Misconduct

Verification of Facts

Failure of the Chain of Command

(Last Resort)

Least Destructive Path of Correction



# More on Roles and Responsibilities

# The Use of Public Funds

## “It’s For A Good Cause”

Habitat For Humanity is eligible under existing ordinance to receive, upon request, a waiver of water and connection fees for new development on previously undeveloped property. Habitat recently initiated a new build and paid connection fees in order to meet a self-imposed deadline. The organization now realizes that if it uses charitable contributions to cover the \$3,100.00 worth of fees, it will have to account for that value in the cost basis of the home and pass the cost on to the homeowner. This results in an increase in mortgage costs of \$15.00 per month. In order to avoid this extra cost for the homebuyer, Habitat has now requested a refund of the fees which it will not enter into its books as a charitable contribution. The City Attorney indicates that a refund, which is not contemplated in the City Code must be considered a gift to the non-profit and requires a super majority of Council for approval. Should Council approve this request?





# Ethical Issues in Local Government

## “That Might Be What I Said, But It Isn’t What I Meant”

As the Clerk of Council one of your duties is to generate minutes of all public meetings. In preparation for an upcoming meeting you sent out minutes along with other documents to all of the Council Members. One Council Member then called you, however, and asked that you alter the minutes. In debate, this Council Member stated that he did not trust an organization that was slated to receive funding. This statement is in the minutes, but the Council Member wants his argument stricken from the record because “it sounds worse on paper”. Should you alter the minutes.



# Budgeting Ethics and the Allocation of Scarce Resources

# Macro-Allocation

## Example Applications

In order to balance the budget, City YY will have to make additional cuts in the range of \$100K. Two options are available: Close a second branch of the public library or close one venue in the City museum system. Which option is preferable and why?

# Macro-Allocation

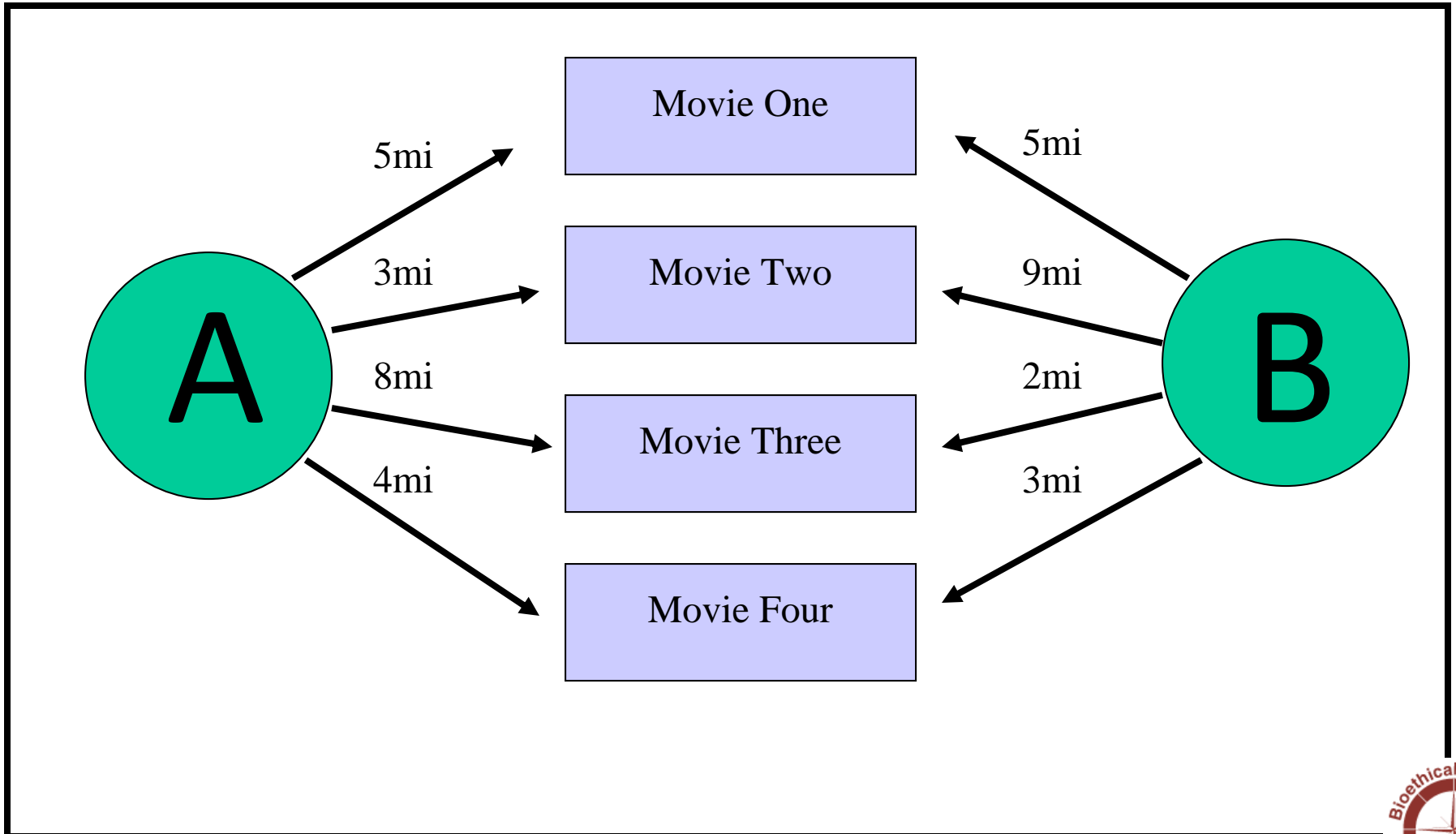
## Example Applications

City ZZ is unable to afford any additional debt service but there are important infrastructure projects that need to get done. Staff has suggested diverting all CDBG money to the CIP but many local non-profits rely on that money to deliver public service activities. Is it ethical to reduce allocations to public service in order to extend bricks and mortar projects?

# The Concept of Fairness: Is Best, Best?

# The Allocation of Resources

## The Concept of Fairness



# The Allocation of Resources

Effectiveness, Efficiency, Equality, Equity

	$\alpha$	$\beta$	$\gamma$	$\delta$
A	1000	950	5	500
B	25	100	5	300

# The Ethics of Scarcity

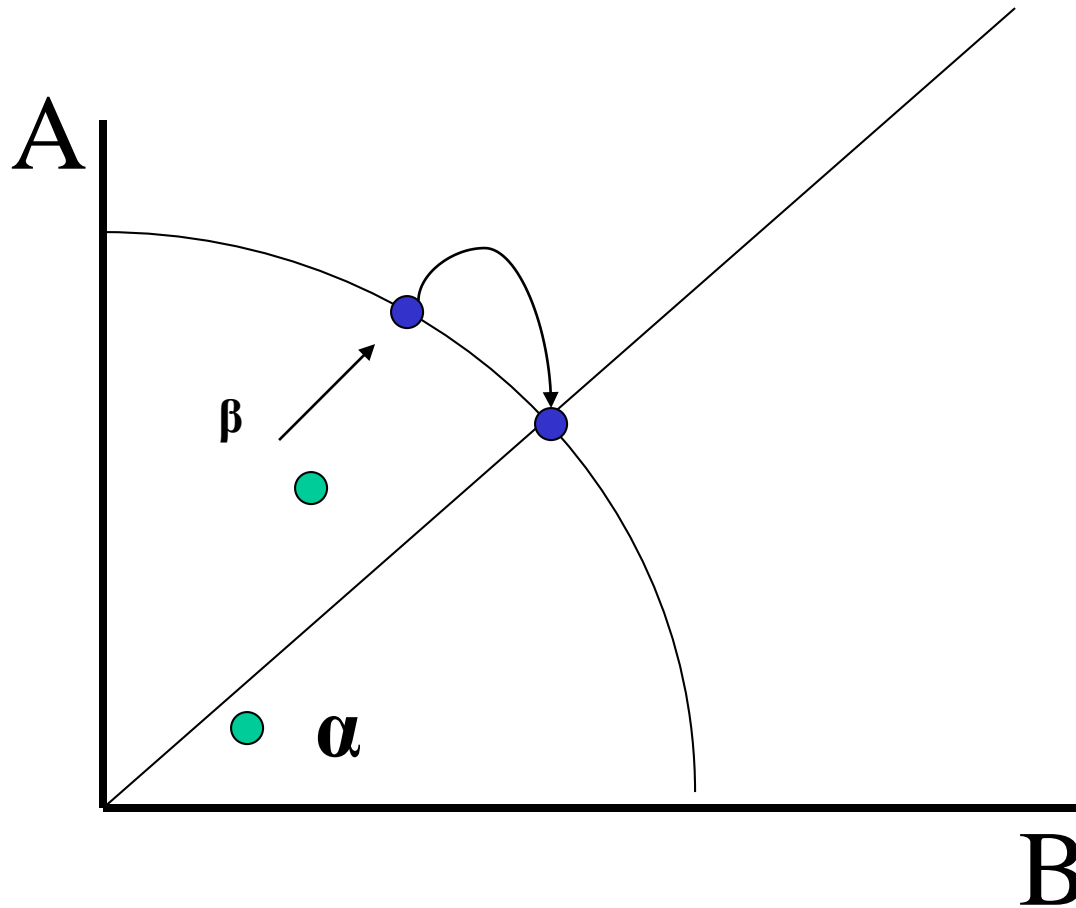
## “The Four E’s”

1. Efficiency: A maximally efficient outcome is one that provides the highest ratio of output over input in a system. Efficiency does not consider the distribution of outcomes across recipients, but only the return on investment that is generated.
2. Effectiveness: A maximally effective outcome is one that maximizes benefit to the recipient of the resources or services in question so as to bring about the greatest gain for the chosen recipient. When we consider effectiveness, we apply the economic principle of maximax; obtaining the best possible best-case outcome.
3. Equality: An equal distribution is one that maximizes the degree of similarity of outcome for all recipients of goods or services.
4. Equity: A maximally equitable distribution of goods or services is that which minimizes harm to the non-recipient of resources or services in question so as to bring about the least harm to the least disadvantaged recipients. When we consider equity, we apply the economic principle of maximin; obtaining the best possible worst-case outcome.



# The Allocation of Resources

## The Concept of Fairness



# Allocation Ethics

## “The Process of Rationing”

1. A fair approach to rationing is one that seeks to maximize benefit to the least advantaged member of the group.
2. Once minimum standards are met for everyone, additional resources should be used to improve the situation of those who are least advantaged

# Allocation Ethics

## “The Justification of Rationing”

Rationing a PUBLIC resource is morally justified if and only if:

1. There actually exists a shortage of the resource in question,

AND

2. An identifiable victim of a failure to ration exists,

AND

3. The victim of the adopted rationing scheme is disadvantaged less than the victim of any other rationing scheme, including the lack of rationing altogether.



# The Ethics of Scarcity

## “Altered Standards of Care”

In an environment of true scarcity, our goal must be to minimize the harms done rather than to maximize the benefits received.

‘Best Practice’ is a luxury for the wealthy. When allocating scarce resources, our only constraint on the lower end is to satisfy minimum standards of care.



# Allocation Ethics

## “Tax Relief”

A request recently came before Council to change the eligibility requirements for participation in the City’s tax relief program. While maintaining other inclusionary criteria, the proposal seeks to increase the maximum allowable annual income level of individuals served by 10%. City Council has indicated that overall funding for the program will remain fixed. Is it ethical to increase eligibility without allocating more resources to this program?

# Allocation Ethics

## “Tax Relief II”

Upon closer examination of the matrix by which tax relief awards are calculated, it became clear that individuals at higher levels of fiscal stress sometimes receive lower levels of assistance. If a change is made in this regard, relief will necessarily be reduced to individuals who have previously received higher amounts of aid.

# The Macro-Allocation Analogue

# Macro-Allocation

## “The Source of Ethics”

In a pluralistic society, ethics derives from an understanding of the reasonable expectations for behavior. These are generated by identification of general roles (that produce tacit expectations) and specific relationships (that produce explicit promises). On the macro level, these concerns can be shaped by public opinion. Politics matters!



# The Ethics of Scarcity

## “The Macro Algorithm”

1. Identify the range of services to be offered over time (begin with mandates, mission, and the demands of considered public opinion).
2. Maintain a commitment to provide the services identified in step one.
3. Spend additional resources to limit the harms of the budget cuts (equity).
4. Select programs that leverage resources to increase funding for steps two and three (efficiency).
5. Select programs with high and measurable success rates (effectiveness).
6. Satisfy the demands of public opinion (when these demands are clear enough, re-engage in step one)

# Macro-Allocation

## “Reflective Equilibrium”

When a public agency engages in the provision of public services, it is not unreasonable for society to set the broad goals of activity. Therefore, a balance must be maintained between step one and step six on the previous slide. This is a bi-lateral process designed to generate equilibrium.

# Macro-Allocation

## “Standard Method”

The first and most common strategy is to state preferences for budget reductions in negative language and then to argue about which cuts make the most sense. While this is how most budgets are written, it does have a tendency to accentuate political differences.

# Macro-Allocation

## “Preferred Method”

Rather than ruling certain ideas in or out, proceed by prioritizing spending options with all expenditures placed on the list in positive language. By prioritizing expenditures, it is unnecessary to debate any philosophical opposition to specific spending and the most raucous political disagreements can be avoided. Adjust priorities with the understanding that beyond a certain level, no funds will be available to low priority activities.