

# Case Studies in Local Government Ethics

League of Wisconsin Municipalities

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# A Review of Process

# 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.



# The Structure of Ethical Argument

The Process of Moral Reasoning

The Default Assumption

The Burden of Proof

Casuistic Exploration

Application to the Current Case

New Cases

# Public Service Ethics

## “Is That Really Part Of My Job?”

For years the locality has maintained a code-compliance inspection group that routinely tours specific areas where blight has been a problem and which supports the locality’s inspection division in its monitoring of rental units.

Since the last local elections, one new member of the County Board of Supervisors who ran on a platform of restricting inappropriate spending has been very vocal about the presence of undocumented aliens in the community. He has clearly stated his opposition to spending any public funds to support undocumented aliens. In response to pressure from this elected official, staff have been instructed to report any suspicion that a resident is an undocumented alien to the police, even if the suspicion is raised during a routine inspection of rental property. Staff members feel very uncomfortable about their involvement in what they perceive to be a distinct effort beyond their inspection duties. How should they respond?



# Budgeting Ethics

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# Opening Cases



# 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

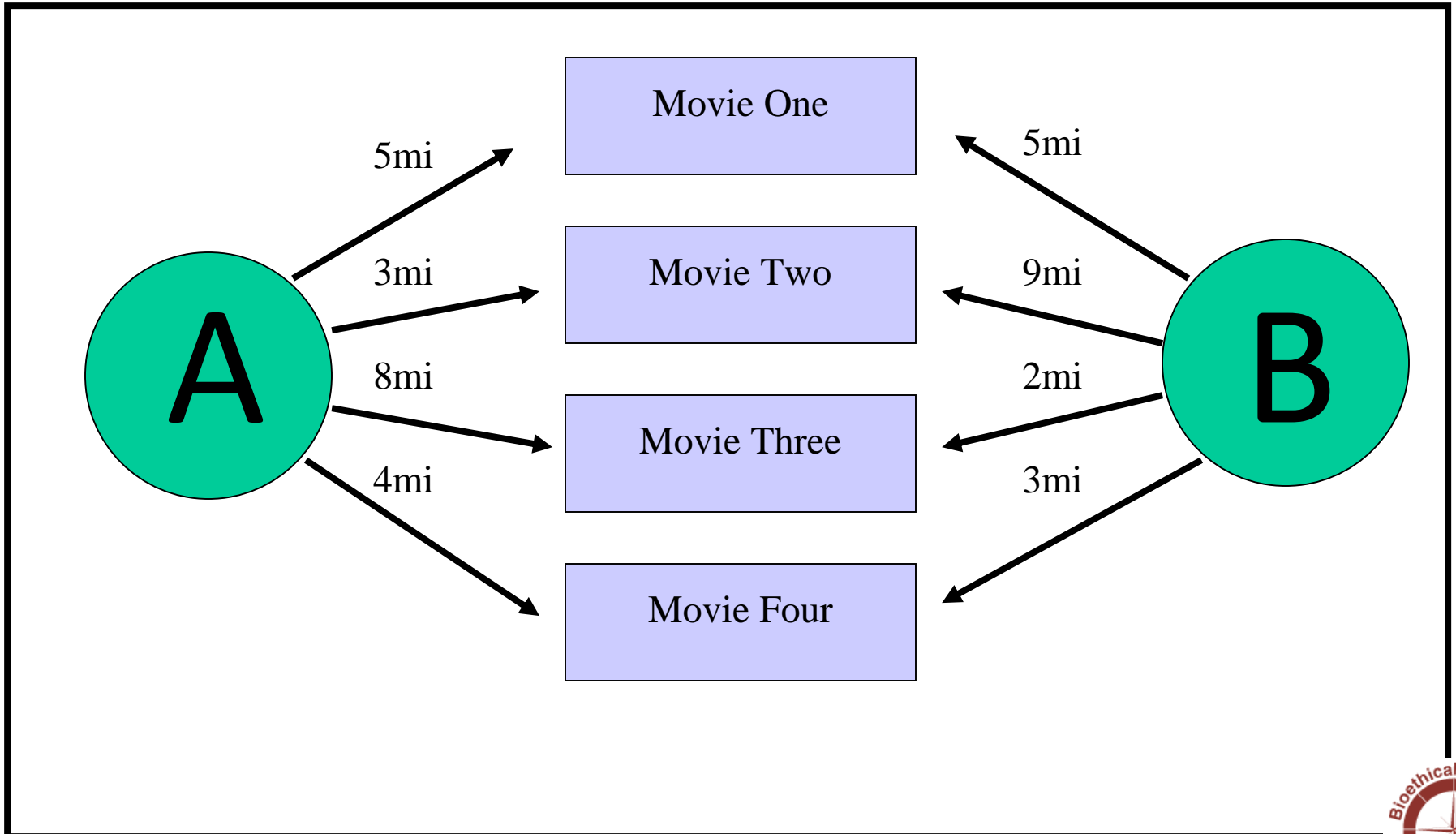
City ZZ is unable to afford any additional debt service but there are important infrastructure projects that need to get done. Staff has suggested diverting all CDBG money to the CIP but many local non-profits rely on that money to deliver public service activities. Is it ethical to reduce allocations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



A Review  
From Last Year:  
The Concept of Fairness

# The Allocation of Resources

## The Concept of Fairness



# 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 advantaged recipients. When we consider equity, we apply the economic principle of maximin; obtaining the best possible worst-case outcome.

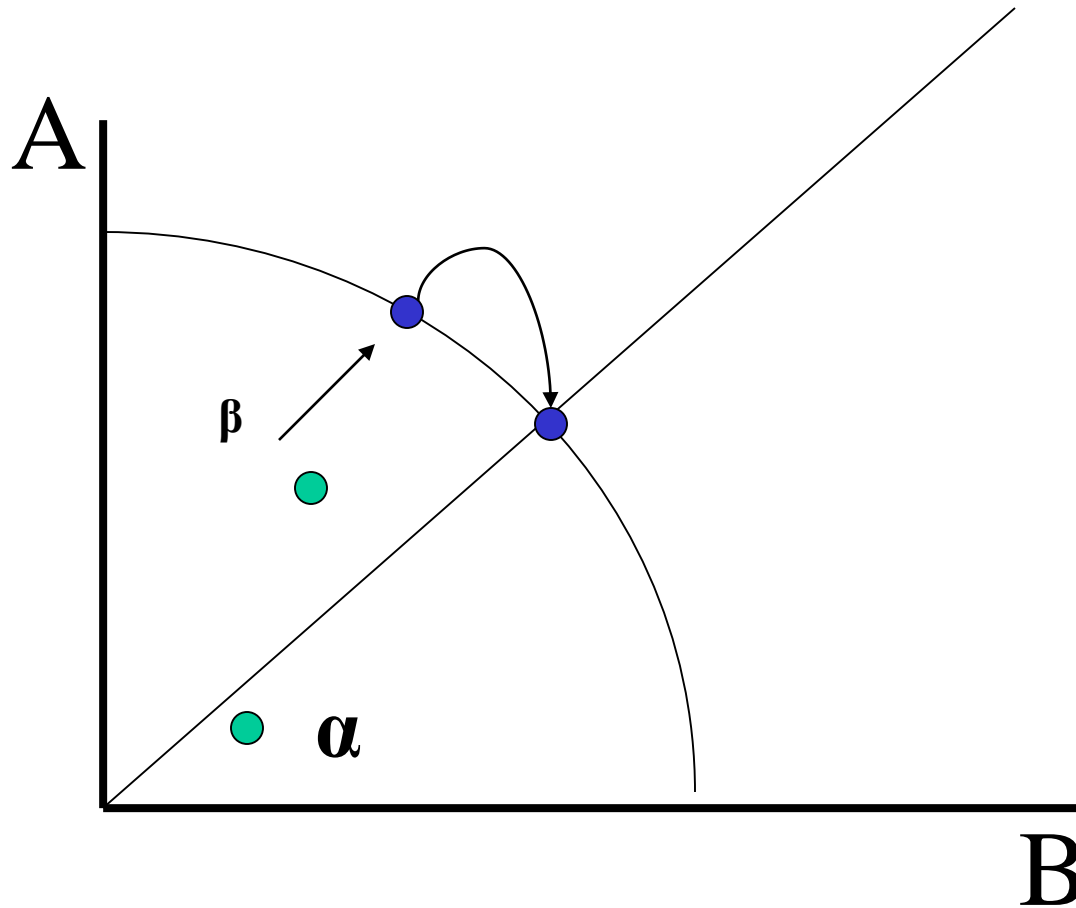
# The Allocation of Resources

Effectiveness, Efficiency, Equality, Equity

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

# 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.



# Application to Micro-Allocation

# 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.

# Micro Allocation “Exclusionary Criteria”

Constituency

Inappropriate Requests



# Micro Allocation

## “Inclusionary Criteria”

Prior Commitment

Serious Need: Imminent Risk and No Alternatives

Efficiency

Effectiveness

Comparative Need

Random Selection

# 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.

## Ethical Prioritization of Non-mandated Prevention and Early Intervention Services in the City of Alexandria, January 2010

Prenatal + risk	MH Preschool Prevention Team: Early Intervention																		
Age 0-3 + risk		DHS Children's Fund 0-5		DHS Child Care Assistance															
Age 3-5 + risk			DHS VA Preschool Initiative			MH Preschool Prev. Team: AI's Pals *													
Grade K-3 + risk	MH School Age Prevention Team: Early Intervention (individual & group)	MH School Age Prevention Team: Parent Outreach	CSU Element. Gang Prevention *				MH School Age Prevention Team: Kids are Terrific Summer Camp (ages 8-10)												
Grade 4-5 + risk					OOW Unequal Partners (ages 10-17) *			CSU IMovie Mentors (5 <sup>th</sup> or 6 <sup>th</sup> grade)											
Grade 6-8 + risk	MH School Age Prevention Team: Early Intervention (individual & group)	CSU Shoplifters Alternatives (12-18)	CSU Ed. Support Program (12-18)				CSU Interv. Prev. Ed. (IPE) *												
Grade 9-12 + risk								DHS Youth Employment (IEP)											
Age 18-21 + risk	CSU Seaport Found. Green Apprent. *																		
Age 0-3 no risk	DHS Early Childhood Regulatory Services				OOW Youth Outreach														
Age 3-5 no risk																			
Grade K-3 no risk		MH School Age Prevention Team: AI's Pals (K) *																	
Grade 4-5 no risk																			
Grade 6-8 no risk		OOW Project Step Out																	
Grade 9-12 no risk																			
Age 18-21 no risk																			
Prenatal no risk																			

\* = 100% non-City funded