

Browning's Budget Teaching Notes

What Are the Relevant Facts?

1. Rumors are circulating about financial problems at Browning College.
2. Edward Saylor, Browning's controller, has scheduled a news conference today to try to stop the rumors.
3. Albert Cauldron, Mr. Saylor's aide, is gathering data to be given to the media. He discovers a \$500,000 difference between the board-approved budget and the current operating budget.
4. Edward Saylor tells Albert to substitute the current budget for the approved budget, and not to tell anyone. Mr. Saylor defends his actions on the basis that the "public perception" is the most important concern right now.
5. Albert hesitates to make the change but is forcefully told to do so by Mr. Saylor.

What Are the Ethical Issues?

1. Can Albert ethically follow Mr. Saylor's directive to substitute the current budget for the board-approved budget?
2. Does the public have a right to information about a private organization?
3. Is perception more important than the facts in this situation?
4. Can Mr. Saylor withhold or change data to protect the institution's good image?

Who Are the Primary Stakeholders?

- Albert Cauldron
- Edward Saylor
- Board members of Browning College
- Faculty and staff at Browning College
- Students and parents of students at Browning College
- Creditors of Browning College

What Are the Possible Alternatives?

1. Refuse to change the budget
2. Report Mr. Saylor to Browning's president
3. Change the budget as directed by Mr. Saylor and say nothing.

4. Do nothing and say nothing.
5. Alert the Board to the problem.

What Are the Ethics of the Alternatives?

- Ask questions based on a "utilitarian" perspective (costs and benefits). For example:
 1. Which possible alternative would provide the greatest benefit to the greatest number?
 2. How would costs be measured in this vignette? How much value should be placed on (a) giving the correct budget data to the public vs. (b) maintaining the good public perception of the college and its financial position?
- Ask questions based on a "rights" perspective. For example:
 1. What does each stakeholder have the right to expect?
 2. Which alternative(s) would you NOT want imposed on you if you were Albert?
- Ask questions based on a "justice" perspective (benefits and burdens). For example:
 1. Which alternative distributes the benefits and burdens most fairly among the stakeholders?
 2. Which stakeholders carry the greatest burden if Albert does nothing?

What Are the Practical Constraints?

1. There are legal restrictions against falsification of data, even in private institutions.
2. Albert could lose his job by not following Mr. Saylor's directive to switch budgets.

What Actions Should Be Taken?

1. What action(s) should Albert take?
2. Which alternative would you choose if you were in Albert's position? Why would you make that choice?
3. Which ethical theories (utilitarian, rights, justice) make the most sense to you as they relate to this situation?