

Bond Case Briefs

Municipal Finance Law Since 1971

City Finances and the Promise of Data Visualization.

New tools that make it easy to find and view government financial data are enabling big gains in efficiency and transparency.

For local governments, financial reporting is about more than simply ensuring that the numbers add up. Public officials also have to be able to communicate the data in a way that is both understandable and meaningful to target audiences, whether it's city officials making decisions about resource allocation or voters making decisions about whether to trust their governments.

That's the challenge for municipalities: How can local governments provide a comprehensive, yet accessible medium for distributing budgetary and other financial data? And from a practical standpoint, how can city leaders make this happen with limited resources and staff capacity?

Increasingly, the solution is data visualization. By linking enterprise performance systems to tools that provide instant access to current and historic financial records, more and more governments are allowing almost anyone to view and manipulate public data via vivid pie charts and line graphs. Users can even export raw numbers or high-impact graphics for use in meetings and communications materials.

In Boston, for example, the city's performance management system, Boston About Results, uses data analytics and visualized scorecards from the software company SAP to evaluate agency operations and improve the delivery of services. Other municipalities have opted to partner with industry experts such as the Sunlight Foundation, OpenSpending and OpenGov to bridge the gap between city finances and public awareness.

In the San Francisco Bay area, Sausalito and Atherton are among the latest to join a network of more than 100 cities that have adopted OpenGov's platform. Sausalito is integrating data visualization into every aspect of city administration, including its recent labor negotiations. In the past, compiling labor costs from various agencies was an immensely arduous task that required sifting through hundreds of Excel worksheets to document the town's history of employee salaries and benefits. Charlie Francis, Sausalito's administrative services director and treasurer, reports that he can now review and visualize annual labor costs in a matter of minutes.

Francis thinks budget visualization has the power to reshape the landscape of local governance while improving efficiency and public understanding. On the efficiency side, he says the town has seen remarkable savings in staff hours and monetary costs since adopting its transparency platform just a few months ago. And several Sausalito city council members have taken to pulling up budget data on their tablets in the middle of presentations with residents, civic leaders and other stakeholders.

"When it comes to responding to a citizen requests about government spending, there is nothing more powerful than being able to access the entire city's financial records with just a few clicks," says Francis. "What is even more exciting is the fact that this is the same information that residents can access from the comfort of their home, and that citizens feel empowered to go back to the

software and find answers to their other questions about government spending.”

Atherton City Manager George Rodericks agrees: It all comes down to transparency. “The traditional process of financial reporting leaves the overwhelming majority of residents out of the loop,” he says. “We needed a new medium that would not only be user-friendly but also equip regular citizens with the tools needed to ask the right questions about how city officials are spending their tax dollars.”

With a three-member finance department, Atherton is always seeking opportunities to streamline its financial management process, and Rodericks says this platform is enabling him and other city staffers to do just that. Rather than having to personally respond to every request for financial information, for example, city officials now list frequently asked questions on Atherton’s city website and link them to corresponding charts.

“This technology has transformed the way that residents interact with local government,” says Rodericks. “On one hand, the open government platform is saving us hundreds of work hours by reducing the time that staff spends sorting through files of accounting data. On the other hand, as more citizens are using this technology we are starting to see many new inquiries come in from people interested in learning more about how local government operates.”

This, of course, is a great problem to have. By providing residents with the tools to visualize and work with government data to meet their individual needs, financial data visualization is not only increasing government transparency and accountability but also enhancing the ability of local governments to be more responsive to citizens’ needs.

GOVERNING.COM

BY STEPHEN GOLDSMITH | AUGUST 20, 2014

stephen_goldsmith@harvard.edu