

Q&A with Chris Bullock, CEO and Founder of ClearGov Inc. providing a Public Data Aggregation Platform that enables Local Governments to Leverage Data, Communicate and Operate More Effectively and Efficiently



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CEOCFO: *Mr. Bullock, what is the concept behind ClearGov Inc?*

Mr. Bullock: ClearGov helps local governments leverage data to better communicate and operate more effectively and efficiently.

CEOCFO: *Are governments, especially local governments, really interested in communicating better?*

Mr. Bullock: That is a fair question. I think that there is a misperception out there that governments in general do not want to be transparent. While I think there are a certain subset of government officials that may ring true for, we have spoken with hundreds of local government officials and our experience is that ninety nine percent of them are like you and I. They want to do the right thing. They want to run their government more efficiently, yet they lack the tools to properly analyze and then communicate their performance. In actuality, when you think about it, it is critical for them to be more transparent in an effort to build more support within their community. We often hear from government officials, "If we could have only better communicated our financial position on this matter better maybe we would have gotten more support in the community for this particular project that did not pass." Local government officials need the support of their community to pass initiatives and being transparent is a way to really drive trust and, ultimately support.

CEOCFO: *Would you walk us through a couple of engagements with different types of government organizations? If a small city or a school district asks you what you can provide for them, how do you help them understand how to utilize the tools that ClearGov offers?*

Mr. Bullock: What ClearGov does that is very unique is that we are an aggregator of public data. We have spent the last two plus years gathering publicly available information on government agencies via many different methodologies. Sometimes this information is freely available on the web and sometimes we have to request it and sometimes we have to gather the data in other ways. In one of these we literally went to the state house and transcribed debt information on hundreds of local governments because it just simply was not available online.

We then transform this data into really easy to understand info graphic based profiles. We've created over 36,000 profiles of local governments so that you can go on www.ClearGov.com today, type in any city, and we will give a high level summary of their total budget, total revenues, and their debt levels. Then, also compare that automatically to similar communities. We have built an algorithm that automatically identifies similar cities or towns or villages based upon things like population, median household income, home values and certainly proximity. In some states we also incorporate things like commercial assessments, so you are not comparing very rural to very commercial towns.

The reason why we do this benchmarking is because we believe strongly in context. In other words, for the average resident to see that your town spends fifty million dollars on education is really not that interesting or even relatable. Fifty million dollars is just a big amorphous number. However, it becomes much more interesting and much more relevant when you know how that relates to similar communities in your area. What that same figure, if I were able to tell you that your town spends twenty five percent more than similar communities in the area on education it starts to become much more useful, not only for residents, but also for the government officials, particularly as they are budgeting and they are looking at these different expenditure categories and they need to know how that performs against similar communities, in other words are we over spending or under spending. In certain areas they are comfortable over spending or under spending, but at least it gives them that point of reference.

Again, as far as business model, we gather this data and then transform it into the free preview profiles. Our product is a freemium model, which means that the towns and in some states school districts, can claim their profiles for free to unlock several features. It allows them to show more detailed finances so they can now view analyses on total public safety spending, total public works spending for instance; again all derived from state available data. We also allow them to customize which towns they are being compared against. They can create a new peer comparison list and put up to three towns on that list. Then we also give them a banner that they can add to their website to point their residents to this basic profile on ClearGov.

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We also offer a more premium version of this offering called ClearGov Insights Premier that allows towns to go much deeper in the data. We actually connect in their accounting system and pull out the detailed finances, map it into our system. This allows the visitor not only drill into public safety, but then drill into the different departments within public safety, such as the police department. You can see that department budget and drill all the way down to the check level details and see whatever check they wrote and what they bought of the town so chooses to go to that level of detail. It also allows them to add much more recent budgetary figures, so we have more and more towns using our platform as a budget planning and communications tool. They can add for example 2018 budget on there, whereas the data that we getting just from the state is generally a year or two old or more. We also allow them to add commentary to the platform.

Again, we believe very much in context. That is because you can see the figures on different expenditure categories. You can see how that relates to other communities which provides some context. However, really the human element has to be added to provide that last mile of context, so to speak. In other words, if you see a trend going upwards it will very helpful to know straight from the government why that trend is going up. Maybe there is a reason, for instance, why you are spending twenty five percent more on public works. Our local town is building a whole new section of town, so they are investing heavily in public works and consequently our data shows that they are spending a lot more than surrounding communities on public works. However, the government officials are adding commentary that says, “We are spending more because we are investing more,” and that makes sense to the average resident.

In addition to the public facing transparency service, we also provide back-office benchmarking tools to department heads and internal stake holders. For instance, one of our client’s public works director said, “We need to increase our snow and ice removal budget by twenty percent next year.” Now, on the surface that seemed like an unreasonable request to the town manager. Our client was able to go into our system and write a “what if” scenario and say something like, “show me all the towns within a twenty five mile radius that have a similar population to us and have a similar number of road miles that they need to maintain. How much are they spending on snow and ice removal on a per capita basis? They can then take that group of maybe eight communities that we identify that are similar based upon those characteristics and see that they are spending fifty percent more than you on average, right now, on snow and ice removal. Now all of a sudden that twenty percent increase request from your department head does not seem so unreasonable, because you are already spending much less than similar communities in the area.

CEOCFO: Are governments looking for this type of experience or this type of tool? Do they even realize it exists?

Mr. Bullock: That is not something that I can blanket answer. The reason why I say that is because certainly some governments are more sophisticated than others. I think that at the local level, more and more governments are realizing that this information is out there. Some know how to use it to a very powerful degree. Others are still learning. One of the things that we have noticed in the local government community is that in local governments there is very much a sense of community. The town managers all know each other and they do like to share best practices and they talk. Therefore,

when one town is seeing success it is often shared amongst towns. Therefore, we are seeing a growing trend towards local governments using data to improve the internal efficiencies. However, we are just starting to see the data being unlocked and tools becoming more readily available through the cloud. It was not five or ten years ago where local governments were afraid to do anything in the cloud and now I think we are passed that. They are comfortable with cloud based solutions. They see other government entities like the FBI using Amazon web services, so they feel the water has been sufficiently tested. That opens up a whole new realm of possibilities as cloud based solutions are generally much less expensive, so that the data is starting to be unlocked through companies like us.

CEOCFO: *Would the government or the school district then make the information available to their community? Is that the way it would work or could I, as an individual, find a way to get the info as well?*

Mr. Bullock: As an individual you can look up the finances of any city or town on ClearGov. When a town upgrades their profile on ClearGov there is just going to be much, much more information on there that you can drill into. Towns and school will generally create a button on their home page and it will generally say something like “Fiscal Transparency Center,” or “Our Town, by the Numbers,” or something like that. Therefore, any resident looking for that information on their site can find it. You can also bring it up and town meetings. As they are going through the budget they can bring up our site right on the screen and then use it in internal presentations. We often hear clients taking screen shots of their site and using that in powerpoint presentations to better inform discussions internally.

CEOCFO: *What has changed in your approach since ClearGov started? What have you learned as your product has actually been in use?*

Mr. Bullock: I would say that we are still discovering new uses every day. I think that the private enterprise has been using data analytics for years now and we are really starting to see governments really leverage this. Frankly, we hear really interesting use cases from our clients in ways that we never thought of using the data. For instance, a village in New York is paying the town for fire department services from their town government. The town provides several villages with fire department services as well as providing it to itself. The town recently sent their local assessment to that village and there was a big increase in the assessment. The village suspected that they were overpaying so they went into ClearGov and said, “How much is our village paying for fire department services on a per resident basis,” and then, “Let us look at what the town is paying for fire department services on a per resident basis, less what we pay them in an assessment.” The village actually found that they were paying many times more per resident for the same fire department services as the town residents were. They were able to use this data to go back to the town and to not only say, “We do not think we should pay this increase, we think our fees at local assessment should be lowered and if it is not we may consider starting our own fire department.” This is a great example of a scenario that organically came out of our platform. It is really exciting when you see things like that happen!

CEOCFO: *Do you find that there is a lot of overlap? Do you find that it is getting more complex and therefore really more a need for what you do or has it always been complex and people just have not had a way around it?*

Mr. Bullock: I think it has always been so complex that the average person just does not think that they can even do anything about it and have any effect. I have often said to people that if your property taxes were not included in your mortgage and you have to pay them on a monthly basis we would have a vastly different society. I think that because your property taxes are just kind of hidden in your mortgage bill, if you do not really think about them, it is just kind of part of a way of life. However, once people start to really understand where their money is going and how much they are spending and what they are getting for that, people would get more engaged and feel like they have more of a say.

CEOCFO: *How do you reach out to the various potential users of ClearGov? How would an organization find you if they were looking? What would they look for?*

Mr. Bullock: This concept of government transparency is not entirely new. I think that more and more governments are thinking about it transparency more and more. I think that they are also looking for performance intelligence tools. They find us organically through web searches. However, we also proactively reach out to local governments. On our website, www.ClearGov.com, we also have a high volume of incoming interest.

