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# IOWA TRANSPARENCY NEWSLETTER


## Making Government Transparency More Transparent

**by Tod Newcombe**

*In their quest to make public records requests easier, faster, and cheaper, some governments are publishing them online for anyone to see.*

Public records requests have surged in recent years, thanks in large part to the transparency and open data movements. The U.S. Public Interest Research Group, which has been evaluating transparency in state spending for six years, reported that 2015 saw dramatic improvements in how and how much information was provided online. The same goes for cities, where the number of open data sets accessible to the public has climbed since the Open Knowledge Foundation began tracking them in 2013.

But not everyone is riding the transparency wave, especially when it comes to the handling of public records requests. Take Massachusetts. In many ways, the state is a leader in transparency and open data efforts, but when it comes to its public records law, it's another story.

Massachusetts hasn't updated its law in more than 40 years, making it one of the weakest in the nation, according to MuckRock, a media site that tracks Freedom of Information Act requests. In some instances, state agencies have taken months to provide documents or have demanded thousands, even millions of dollars for them. Part of the problem is that each state agency has its own procedures, resulting in widely different responses.

Of course, Massachusetts is not alone. Other state and local governments treat requests for public records as a burden and not as part of the job of government. But that's slowly changing. Some governments are taking steps to make it easier, faster, and less costly to request and receive government information. A small but growing number of cities and counties are going even further and starting to share the responses to requests for public records by posting them online. The first to do this


was Montgomery County, Md., which passed legislation in 2012 mandating the publishing

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of public records requests. The county's website lists the person or organization who made the request, the date of the request, a description of the document, and a link to the information.

Hans Riemer, the county councilmember who wrote Montgomery's 2012 law, says the requests have public value and should be shared publicly. "It takes the process away from insiders and makes it public," he says.

Another benefit: It's a way to lower costs by reducing the amount of staff time spent answering multiple requests for the same information. Riemer adds that public sharing could also dissuade people who make spurious requests, "because now the whole world knows what they are doing."

Other cities that have portals for sharing public records include Chicago; Oakland, Calif.; and Washington, D.C. There are also a number of single agency portals, such as the Illinois Board of Education and the Chicago Public Schools. But Montgomery County appears to be the only government entity that mandates request information be publicly posted.

If there's any resistance to the policy of sharing requests and responses for public records, it comes from the media. Journalists are heavy users of public records and have expressed concerns that publication of their requests, along with the documents they have received from the request, could give competing news organizations advance notice of a developing story.

Meanwhile, Riemer has watched for nearly three years how the law has impacted Montgomery County. He thinks the publishing of public records requests has made a difference in one vital way. "I think it generates a positive feeling among the public that government is listening and responding."

*Tod Newcombe is a* Governing *columnist and the senior editor of* Governing's *sister publication,* Government Technology. *This article first appeared in* Governing's *Tech Talk column in December 2015, and is reprinted with permission from the author. For more articles by Tod Newcombe, visit www.governing.com/columns/tech-talk.*

# The National Debt - Money We Owe Ourselves?

**from Truth in Accounting**

Some of those who downplay the risks of high and rising federal government debt refer to the debt as “money we owe ourselves.” Even if this were semi-true, in the sense that U.S. citizens were the only owners of U.S. government debt, the assertion would still be basically false. You have to answer the question “who is we?” before you get anywhere.

If one party (“we,” in this case) owed money to itself, it would be indifferent to cancelling the debt. Even if, in this case, U.S. citizens were the only owners of U.S. government debt, there would still be – well, to put it mildly – a bit of a hue and cry if the U.S. government stopped paying interest and principal on the debt it sold to U.S. citizens.

As ridiculous as the “money we owe ourselves” argument is in a solely domestic context, things get more serious when we consider who really owns the debt issued by the U.S. government.

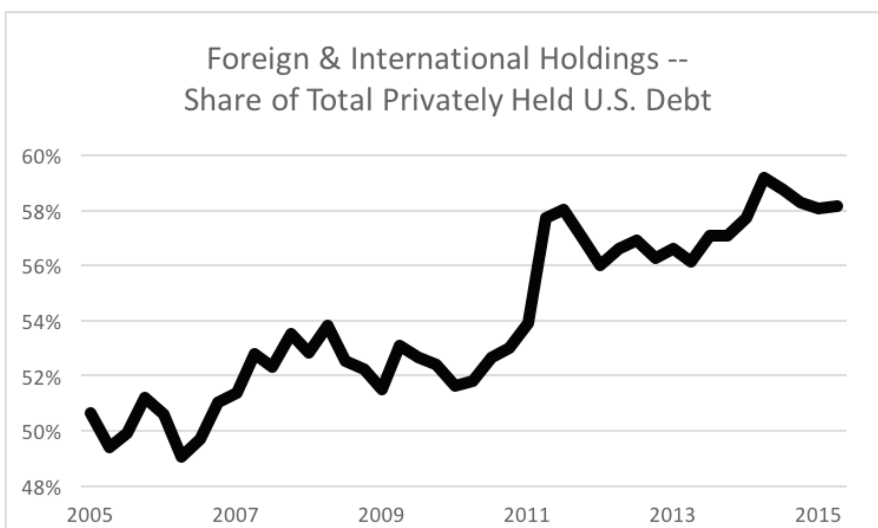
The U.S. Treasury issues a monthly *Treasury Bulletin*, which includes a table with a quarterly data table titled “Estimated Ownership of Federal Securities.” The table starts with “Total public debt,” from which it subtracts “SOMA and intergovernmental holdings” (Federal Reserve and social insurance trust fund holdings) to get to “Privately held debt.”

In the latest reporting period, total “Privately held debt” amounted to $10.7 trillion (Trillion). Within that category, the Treasury reports amounts for the following categories of owners:

- Depository institutions
- U.S. savings bonds
- Pension funds
- Insurance companies
- Mutual funds
- State and local governments
- Foreign and international
- Other investors

Among these 8 classes of “Privately held” investors, the “Foreign and international” category is far and away the most significant. In the latest reporting period, “Foreign and international” holdings totaled $6.2 trillion – almost 60% of total “Privately held debt.”

Here’s a chart showing the share of foreign and international holdings in “Privately held debt” since 2005:



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Those "Foreign and international" holdings aren't exactly "Privately held debt." About $4.1 of the $6.2 trillion are in "foreign official" (e.g. government) accounts.  A separate report (jointly produced by the Treasury and the Federal Reserve) lists the countries of ownership for U.S. federal government debt. The table lists 35 individual countries, with two of them – China and Japan – by far the largest holders.


In the latest reporting period, China and Japan holdings came to $2.4 trillion.  The next largest foreign category ("Caribbean Banking Centers") was reported to own about $300 billion.

Money we owe ourselves?

In a Facebook post a few days ago, economist Robert Higgs included the following observation:

"The system is virtually immune to significant change. It will grind on till the day it can no longer grind on, which will be the day that foreigners refuse to lend it the vast sums it needs to continue 'business' as usual."

*Truth in Accounting seeks to educate and empower citizens with understandable, reliable, and transparent government financial information.  This article first appeared on February 4, 2016 at www.truthinaccounting.org and is reprinted with permission from Sheila A. Weinberg, founder and CEO of Truth in Accounting.*