



## Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

### Local Journalism Task Force Meeting Minutes December 1, 2023

**Event/Meeting:** Local Journalism Task Force Meeting

**Date/Time:** December 1, 2023, at 1:30 p.m.

**Location:** Teleconference via Webex

**Members Present:** Josh McGhee, Sam Fisher, Tim Franklin, Jesús Del Toro, Jenna Dooley, Jason Piscia, Randy Eccles, Mark Jacob, Prof. Dong “HD” Han, Jordan Abudayyeh, Sen. Steve Stadelman, Christopher Willadsen, Allison Petty, Mayor Julie Moore Wolfe

**Appointed Members Absent:** Adam Rhodes, Tim Myers, Sen. Don DeWitte, Rep. Dave Vella

**Illinois Department of Commerce and Economic Opportunity (DCEO) Staff Present:** Eliza Glezer, Brittany Davis

**Call to Order:** Meeting began at approximately 1:35 p.m. with brief overview.

**Roll Call:** 14 members were present; quorum was met.

**Adoption of the Minutes:** Minutes from the November 16, 2023, Local Journalism Task Force Meeting were unanimously adopted via voice vote.

**Brief Introduction:** Chairman Stadelman gave a brief welcome and introduction of agenda to preview and discuss Task Force’s policy recommendations.

#### **Presentation from Mark Bonne:**

- As an overview, 10 Task Force members responded and from that, there are a total of 10 policy recommendations cited at least once by at least one member. Asked everyone to rank them and provide 2-4 recommendations.
- Several people stressed the need to have a definition of what is journalism, what is a journalist. Several recommendations talk about qualified local news outlets and how that needs to be defined.
- First several charts share what the response is based on rank.
- First chart shows state advertising set aside was top ranked by the most members, followed by a tie between employer payroll tax credit, college loan forgiveness, and Illinois civic information consortium similar to the New Jersey model.
- Second choice – tax credit advertising, tax credit and employer credit/payroll tax credit.

- Third choice – employer tax credit followed by subscriber tax credit, then others with only one response.
- Not as many task force members reflected beyond this... fourth choice – one of the most popular responses overall is subscriber tax credit, but that's not everyone's priority. But it is cited by plurality of task force members.
- When down to fifth choice, only has advertising set aside.
- Last slide shows the number of task force members who cited the particular policy recommendation at all – unranked. Most popular, 8 of 10 members cited employer tax credit. Second is state advertising set aside, third is subscriber tax credit, and advertising tax credit in fourth. All other responses cited by 3 task force members or fewer. Three cited by only one member.
- Jenna Dooley surveyed her members, so her responses are reflective of her membership organization vs. everyone else acting as spokesperson for their organization.
- At least one member gave a bullet point that said even lower.
- Jenna had a couple that were ties, so put in chart as number ones then number two then number three.
- Charts show taskforce information collectively shared so far.

**Discussion:**

**Jordan Abudayyeh:** Not speaking to the Governor's Office in terms of what he would support, speaking on my own behalf. Haven't briefed him on any of this and he's not aware of the task force's work yet.

**Randy Eccles:** Subscriber-based stuff doesn't really help broadcast TV or radio newsrooms at all. They're not charging subscriber fees.

**Chairman Stadelman:** Depends how you define subscription subsidies or subscriber fees. Focused on newspapers, websites, or any local journalism provider? How do we define what platform – are we platform neutral or focusing on newspapers?

**Sam Fisher:** Focus on what will have the most impact. Understand what he's saying from broadcast perspective. 400 newspapers in Illinois, and those are the newspapers that are at the city council meetings. That's what's in jeopardy. Looking at what will have most impact across the state. Some would preclude some local news outlets.

**Chairman Stadelman:** If you narrow it to newspapers, are you talking about their websites or print edition?

**Sam Fisher:** Subscription, either print or digital. Most weekly newspapers across Illinois have circulation annual rates in \$50 range and when look at larger papers in the state, you can get a very inexpensive digital subscription from \$50-200/year, as opposed to some rates for print subscription well over \$1,000. Digital opportunity equally as important as print.

**Chairman Stadelman:** One of the goals is a platform neutral policy. Should we be more policy, platform neutral in addressing these situations?

**Allison Petty:** As editor of local newspapers, want it to be platform-neutral because it makes us better when we have robust media to compete with. Want something to help across different formats.

**Jordan Abudayyeh:** Take idea and expand it to be more platform neutral. Make donations to certain radio stations or nonprofit stations or newsrooms and match that in a tax credit? Ways to take idea of subscriber base and make it more inclusive in broad stroke. Requires more thinking.



## Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

**Jesús Del Toro:** Neutral is important. Many newspapers and digital outlets in areas that may be only outlet providing local news. Platform neutral is important, subscription, donations, memberships always important to consider as revenue coming from readers. Newspapers could be print subscription, but nonprofit newsrooms or other platforms may be donations or memberships that could be included.

**Chairman Stadelman:** Not aware of any broadcast that has subscription model on websites. Probably focused on newspapers with subscription model. Aware of any broadcasts with subscription?

**Randy Eccles:** Not many. Accessibility – if starting with subscription or donation, many can't pay even with tax credit, not accessible to broader population if behind paywall.

**Tim Franklin:** Make it as platform neutral as possible, including nonprofit and for-profit print, digital subscriptions and membership. Number of nonprofits with membership models – tax deductible for them would be great. Not aware of subscription based local TV news model that exists. Headed toward streaming world and wouldn't be surprised if local TV news goes in that direction in near future. Lots happening at FCC that might drive that. Issue with broadcast – how to provide subsidy or tax credit for big-owned and operated stations in Chicago. How does that work? Pretty profitable as is. Problem in local community-based news and information. Big TV stations not included in local news report for what it's worth because cover big swaths of area, not strictly local community-based journalism. That might be a way to get around big broadcast stations around the state.

**Chairman Stadelman:** Same question for size of newspaper – do we offer this to smaller papers in geographically rural areas or allow chains to tap into it? Idea to give people subscriptions without focusing on size of news organization?

**Allison Petty:** What we heard from local news groups presenting was every size of organization is feeling similar pain and dealing with broken revenue model. Neutral as size of who benefits. Work for large company with small papers in small communities.

**Tim Franklin:** One aspect is consumer choice – if consumer choosing to subscribe it's their choice, gets us away from partisan concerns. Same with ad tax credit, which is consumer or business choice, not us deciding who qualifies.

**Jenna Dooley:** Heard in responses to organization from Illinois Broadcasters Association – lot of members happen to be in public radio, so a couple of those comments. Some new policy ideas and recommendations based on existing revenue flows. Suggestion of expanding funding for the media news literacy mandate in K-12, making sure funding for curriculum. Lot of public radio organizations licensed to higher education – Randy might know better – funding for Illinois public radio stations has decreased over last decade, so recommend to keep level or increase it. Randy, accurate to say that amount decreased?

**Randy Eccles:** Decreased from \$5 million for TV and radio, down to \$1.6 million split about 10 organizations. Bulk to TV – 75%, radio 25%, even though they have bigger newsrooms – WBEZ and WTTW get the bulk of it. Line-item appropriation grant in the arts council.

**Jenna Dooley:** Already pipeline. Radio station licensed by NIU – work with a lot of students in newsrooms because it benefits newsroom to serve their audience. U of I and other institutions with journalism programs could have incentives to partner with local journalism organizations to grow opportunities for next generation journalists.

**Chairman Stadelman:** Anything inhibiting that from happening now? Funding source?

**Jenna Dooley:** Funding. Use existing resources to train students. No payment plan right now, academic credit – 3 hours. Offer small student stipend directly to bursar account. Couple hundred dollars per semester for students. Significant when it comes out of their budget as a nonprofit.

**Randy Eccles:** Most of public media licensed to universities, probably public. University licensees largely not supporting or funding stations any more. Makes it hard to maintain amount of reporters had in past. Looking at where funding will come from. Philanthropy giving it attention, but only goes so far. Newsrooms will have tougher time filling role public wants because funding changing.

**Chairman Stadelman:** Government advertising proposal generated interest. What are parameters, how would we implement that type of program? City of Chicago passed an ordinance along those lines. Thoughts on this proposal and implementing language that requires mandates on how government spends advertising dollars?

**Jenna Dooley:** Implementation wise, public media has shared underwriting ability. One clearing house would handle contract and payments through all different public radios. Did something with AARP where they trickled down their information to all stations without individual contracts in each market. Public media side – implementation could be fairly streamlined.

**Randy Eccles:** Directing agency's money toward media – would get tricky if covering all media outlets throughout state. Public media could have a clearing house, but not sure how to get to smaller newspapers, non-Gannet, etc.

**Jesús Del Toro:** Independent media research – similar to NYC ordinance directing city budget to local community media. Mayor Lightfoot endorsed this and provided executive order, but this was only starting to be implemented with her. Each independent agency doing whatever they want to try to follow the spirit of the executive order, or not, because no insight from current administration about implementation of this order or how to make it more durable or formal. Each agency decides by themselves in City of Chicago. State – if possible to have larger way to involve different departments or agencies to participate in a policy that allocates certain state dollars to local media it would be helpful. In City of Chicago, diversification is a limitation. Experience with order in Chicago, several agencies approaching more to place advertising with local news organizations – not sure if connected to spirit of executive order or just more effort.

**Tim Franklin:** Mayor Lightfoot's executive order hasn't been officially enforced by Mayor Johnson yet. NYC plan directed \$25 million to local and community news outlets in past 2-3 years. People may say how do we know we'll get the same reach as we would through Google, Facebook, other social media platforms by advertising through local news sites. How to address questions along those lines? Test? Way to funnel money quickly to outlets that need money quickly. Guardrails to not build a bureaucracy. Some oversight of program so politicians aren't tempted to punish local news organizations. Oversight on bipartisan basis of where money is going. Could generate income quickly.

**Chairman Stadelman:** Jordan, is state funding by agency?



## Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

**Jordan Abudayyeh:** Agency by agency. Individual RFP process. Usually done through a firm – bid on RFP contract then put together a plan.

**Chairman Stadelman:** From what you know of process, is it possible to put guardrails?

**Jordan Abudayyeh:** Each agency engages in their own procurement process. Could be same or different firm depending on who wins RFP?

**Chairman Stadelman:** Could address RFP.

**Jordan Abudayyeh:** Because procurement already has so many rules around it, RFP process might be better way to do it. Will ask lawyers but think you could say as a state in statute, X dollars go to this then everyone in procurement process follows that statute. Spend certain number of dollars to even make this bid, included in package. Not sure if in procurement code or different bill. All very individual and very different.

**Chairman Stadelman:** Thoughts on payroll tax credit, small business tax credit seemingly fairly popular. Guidelines or things to look out for?

**Jordan Abudayyeh:** Any cost estimate? Did other state do this to see how it ends up actually costing?

**Sam Fisher:** No, hasn't been done yet.

**Chairman Stadelman:** First question – funding.

**Randy Eccles:** The CPB has experience in distributing funding to media. They take into account audience reached and need. Kathy Merritt is the Senior Vice President, Radio, Journalism and CSG Services | CPB.  
[kmerritt@cpb.org](mailto:kmerritt@cpb.org)

**Tim Franklin:** Wisconsin considered this – they may have weighed the cost. Federal legislation pending in Congress includes proposal like this, may have preliminary estimates.

**Sam Fisher:** Public broadcasters' "clearing house" – broadcasters and newspapers have same thing set up too. Ability to parcel out and place business.

**Chairman Stadelman:** Nobody mentioned California journalism act – presentation from Mary and Hannah was interesting. Is that a path we don't want to venture down? Or include that and be part of larger national conversation about big tech companies?

**Jordan Abudayyeh:** Very interesting.

**Sam Fisher:** Wait and see what happens in California. Canada did similar thing in past. Agreement in \$100 million range. Lots of legislative work in California on this – listened to hearings and committees do great work on

background on this. It will come up because it passed the assembly, got hung up in senate, will be addressed this year. Lot to learn from them.

**Chairman Stadelman:** Desire to be part of conversation at national level. Intriguing area. If we introduce something we can be part of that conversation. Media advocacy groups have been backing down from this type of model.

**Jordan Abudayyeh:** If you want money going to local journalism outlets from people gaining from their work, this idea on its face is one of the better ones. Money comes from huge corporations raking in huge profits – appealing. Politically, will be a tough sell. Lobbyists from social media organizations will be tough but we could have a unique moment with some legislators who don't take money from them. Take on a big conglomerate. Force some Facebooks of the world and Twitters to pay their fair share. Not politically impossible feat.

**Tim Franklin:** Admire ambition of taking this on. This is a longer-term proposal given complexity, but it would also be the most transformative. Also, tax credits and ad set asides would help incrementally, while local news tries to figure out a new model. But this would fundamentally change relationship between tech platforms and news organizations. If you do this, Google and Meta and other platforms will deplatform local news so they don't have to pay anything – threatened that in California and other places. This is the boldest of all things we're discussing, may be something we want to take on.

**Chairman Stadelman:** One end result forced them to reach agreements (Australia). First reaction will be to take news down, but end result could be accelerated resolution reaching private agreements.

**Sam Fisher:** California versus others, it goes to arbitration. Legislation at federal level lets news outlets lobby together. In California, independent party parcels that amount out – unique. Antitrust legislation that allows news publishers to bargain collectively, not the first time this has happened in newspaper business. Gives local media to bargain collectively with Google, Facebook, whomever on social media platform. Languished lately at federal level.

**Jesús Del Toro:** Liability if tech deplatforms because local outlets depend on profit from Facebook, Google, etc. When X changed algorithms they use to present news to their users. If that happened, many smaller and medium outlets will suffer. Will be transformative if it's done but need to consider support for vulnerable local media if that's the case. Mostly large outlets will benefit because they have more content. Needed to change the way big platforms interact with news and local content. Mitigate retaliation effects by protecting and helping vulnerable outlets.

**Jason Piscia:** Expected to produce report, need to address this matter with social media or will be asked why we aren't pursuing something like California is. Don't want to get too tied up in what we think political possibilities are if something happens, need to decide if it needs or doesn't need to happen and let the chips fall. Can't be afraid to lose, need to try.

**Chairman Stadelman:** Journalist pipelines. Several different versions to help attract more people in business or help those willing to go to a smaller market, newspaper, entity, etc. What's the most effective? Like idea of college loan forgiveness for journalists in underserved areas – how to define that. Fellowship in California model? What's most effective way to address these issues?

**Jenna Dooley:** Work with a lot of students – seniors in college in DeKalb may not get Chicago internship but they can get robust experience at NIU to get portfolio work to get a good job. Fellowship model – see a lot of talented



## Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

journalists get training, portfolio, graduate, then bounce around and leave industry at 26 when they don't get health insurance. Not a career that's a livable career. Turnover is high. Pipeline – good university license holder public media stations – Bloomington, Carbondale, NIU have good programs. Real newsrooms that aren't college stations, struggle to give paid internships but trying to get on that path.

**Chairman Stadelman:** Would college loan forgiveness be effective?

**Randy Eccles:** Would help. As soon as they're trained well and in a good position for ROI, get picked up by big city station. If loan forgiveness requires them to work in underserved place, would help people choose those places to help pay for their school.

**Chairman Stadelman:** Should target be underserved area?

**Maggie Hradecky:** Hard for us to compete because Chicago and Milwaukee hiring people right out of school. Suburban kids think it's cool to go to Chicago. Company does paid internships – full salary for 3 months, helped somewhat. Benefit from suburban journalists coming to area. Hard to compete. If fellowship given with agreement to serve in Illinois, would help. Worried about tuition and loans, helping them would be nice.

**Chairman Stadelman:** Internships go to students who can afford it or have parents who can afford it. Students without those financial means are limited.

**Maggie Hradecky:** Universities can help too. Work with Jenna at NIU, ISU. Good place to start – has helped going to universities and telling them what they can learn in our newsrooms. Get experience then get experience in big market later.

**Tim Franklin:** In favor of anything that would help students and local news pipeline. Concern would be Report for America or other programs – local news organization hiring students also has skin in the game and has to pay portion of student's salary. Number of local news organizations having trouble pulling money together to pay even basic stipend for students. Concern of creating program/pipeline without a place for them to go.

**Chairman Stadelman:** Issue is they don't want to take the jobs?

**Tim Franklin:** Even if they want to take the jobs, subsidized programs require organizations to still pay a portion of their salary. Good idea for them to have skin in the game, make investment in that student. Even if we create a program like this, still need ability for local news organizations to pay portion of student's salary or stipend. If local news outlet is so strapped they can't bring those students in, could that inhibit any program set up to create this pipeline?

**Sam Fisher:** Afraid to jump in on journalism preservation act too quick because would hate to use up "political capital" on something at this point in time. Want to sit and watch and see how it plays out in California. Maybe something we can do at federal level, but it's not getting traction. Don't want to jump the gun because lots still to be learned. Want to be fully well prepared and not burn political capital right now.

**Chairman Stadelman:** Doesn't need to all be put in one bill. Could be multiple proposals.

**Mary Randolph:** Looking at what's been published on payroll credits. National proposal and New York's proposal has it around up to \$25,000/journalist at qualifying outlets during 1<sup>st</sup> year then up to \$15,000 during next few years. Not sure how many outlets qualify, but would add up if a few journalists at each of the outlets.

**Mark Jacob:** Grant program similar to New Jersey would get right at areas of need, including news deserts and underserved communities. Worried we're not giving enough attention to that possibility. Doesn't have to be New Jersey model exactly, but something with direct grants. Government has long history of figuring out how to get separate, objective observers to decide who should get grants – done in lots of agencies. This is a problem that can be solved. Don't run away from it because it could be seen as political swamp.

**Randy Eccles:** CPB corporation regularly distributes \$500 million to public media across country. She would have a sense of how to do that fairly to address the issues we're talking about.

**Chairman Stadelman:** Some type of consortium formed – different entity, empower them to distribute grants.

**Mark Jacob:** Government does that, take advantage of universities who aren't beholden to anyone to help decide these things.

**Jesús Del Toro:** Use of grants as a way to support quickly. Consortium would be a great way to do that. Role of universities is very important – need to have interaction and coordination with universities, researchers, students, etc. require involvement. Coordinate with local media.

**Chairman Stadelman:** How many organizations have been helped by consortium in New Jersey model?

**Jesús Del Toro:** [Website](#) has information - \$25,000-50,000 less grants, increased amount to \$100,000 or more. If provide small grants, impact won't be very significant – may be correcting because of that.

**Tim Franklin:** Criticism was New Jersey program was underfunded when it started (half million) - \$25,000-50,000 grants, bumped up to \$2-3 million. Independent consortium oversees it with universities with representatives on board that award the grants. To make a difference would have to be better funded than the New Jersey program has been.

**Chairman Stadelman:** Have to write report. Describe the problem, how we got here, and specific policy recommendations. Suggestions and things that have been discussed we want to put out there for further discussion. Not sure the timeline or length of this, need additional votes, conversations, etc.

**Sam Fisher:** Would be good to see what's been done in the past.

**Mark Jacob:** Fairly concise so people will actually read it.

**Mary Randolph:** Can reach out to New Jersey and California teams and see if they have any reports from when they were building their policies.

**Chairman Stadelman:** Anything for Mary and Hannah to look into in the coming weeks?





## Illinois Department of Commerce & Economic Opportunity

JB Pritzker, Governor

**Jenna Dooley:** Since we know public universities are a real asset here and everyone wants them to do well, they're struggling with enrollment and people leaving state. Everyone benefits when university journalism programs are strong. We want to train journalists here and keep them here. In report, or if further research can be done to see how states are leveraging journalism programs at state institutions.

**Randy Eccles:** Similar to trying to keep teachers or nurses in the state.

**Chairman Stadelman:** Enrollment tide has turned, no?

**Jenna Dooley:** NIU facing \$30 million deficit. NIU seeking federal designation to be a Hispanic serving institute. As looking at underrepresented areas and demographics, seeking federal dollars to support that. Reach out to journalists of color in audiences serving. Tide hasn't turned there.

**Chairman Stadelman:** Do policies we've been discussing help people of color? Should we be more targeted?

**Mark Jacob:** That's why grants would help.

**Chairman Stadelman:** Next meeting 12/11. As far as report, tasking Mary, Hannah, Sam and Mark to begin drafting? Coordinate efforts among yourselves?

**Sam Fisher:** Yes, that's best. Lend a little support to Medill representatives by setting up a meeting.

**Mark Bonne:** Anyone else you recommend to present?

**Jenna Dooley:** Sounds great to have a smaller group synthesize everything in the presentation. Is there an opportunity to take a look at the report before it's submitted?

**Chairman Stadelman:** Everyone should have an opportunity to look at the draft in advance – will bring to the full task force and have more conversations.

**Mark Jacob:** Draft something, send around, then discuss at another meeting?

**Chairman Stadelman:** Yes.

**Mark Jacob:** What will 12/11 meeting be?

**Chairman Stadelman:** Good question. Wanted to get something on the books. Want to get input. Could have another speaker. Need to get draft of report going, bring together specific policy proposals. Put suggestions to paper.

**Public Comment:**

- **Andy Grimm/Chicago News Guild:** Thanks to everyone who has devoted time to this incredibly important issue.

**Adjournment:** Meeting was adjourned by Chairman Stadelman at approximately 2:56 p.m.