



## Illinois Department of Commerce & Economic Opportunity

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### Local Journalism Task Force Meeting Minutes June 15, 2023

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

**Date/Time:** June 15, 2023, at 1:30 p.m.

**Location:** Teleconference via Webex

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

**Appointed Members Absent:** Jordan Abudayyeh, Jesús Del Toro, Tim Myers, Rep. Dave Vella, Sen. Donald DeWitte, Adam Rhodes

**Illinois Department of Commerce and Economic Opportunity (DCEO) Staff Present:** Emily Bolton, Margarita Olmos

**Call to Order:** Meeting began at approximately 1:33 p.m. with brief overview.

**Roll Call:** 12 members were present; quorum was met.

**Adoption of the Minutes:** Minutes from the March 27, 2023, Local Journalism Task Force Meeting were unanimously adopted via voice vote.

**Introduction Remarks:** Chair Stadelman started off with brief remarks and introductions for newly appointed member Allison Petty as well as Northwestern University interns Hannah Carroll and Mary Randolph, who will be assisting with research and drafting reports for the Task Force.

Chair Stadelman then provided a brief overview of the agenda and introduced Penny Abernathy, Visiting Professor at Northwestern University Medill School of Journalism, and Anna Brugmann, Director of Policy from Rebuild Local News.

**Presentation from Penny Abernathy:** Penny Abernathy, Visiting Professor at Northwestern University Medill School of Journalism, provided a presentation on the state of local journalism, including:

- What is a news desert
- Populations at risk of becoming a news desert across the U.S.
- Research regarding the negative impact of lack of access to local news, including:

- Voter participation rates declining
- Corruption and taxes increase
- Misinformation flourishes
- Newspaper ecosystem
  - Declining numbers of local newspapers since 2005 – more than ¼ nationally
  - 60 percent decrease in the number of newspaper journalists between 2006-2021
  - 90 percent of digital-only news sites located in metro areas
- How news sites are funded
  - 69 percent of local news outlets are for-profit
  - 21 percent of state/regional outlets are for-profit
- Demographics of counties without newspapers
  - Areas with news deserts have higher poverty rates, older median age, and have lower levels of educational attainment compared to other areas
- The Illinois Media Landscape
  - Illinois has lost 1/3 of its newspapers compared to 2005
- Impact on Communities
  - Discussion of why strong access to news correlates with a strong democracy
- The Seven Capitals of Strong Communities

**Presentation from Anna Brugmann:** Anna Brugmann, Director of Policy at Rebuild Local News, provided a presentation on policies and legislation taking place across the country.

- Overview of mission of Rebuild Local News
- Overview of policy values
- Presentation of emerging models – each policy was presented and included examples, as well as pros and cons of each policy.
  - Fast Facts
    - 15 bills in 14 states pertaining to improving the local journalism landscape
  - Fellowship programs
    - Subsidizes local journalist positions in local newsrooms across the state
  - Advertising tax credit
    - Provides a tax credit to small businesses who advertise in local news outlets
  - Payroll tax credit
    - Provides a refundable tax credit to local news outlets based on the salaries paid to local journalists
  - Subscription tax credit
    - Provides a refundable tax credit to those who subscribe or donate to local news outlets
  - Government advertising set asides
    - Targets a proportion of government advertising to local or community news outlets
  - Grants for local news outlets
    - Creates a grant making body to give regular grants for reporting, general operations or capacity building
  - Map showcasing legislation across U.S.

**Q&A:** Members of the Task Force posed questions to the presenters. The main themes discussed are below:

- **Q (Chair Stadelman): Are there positive examples/efficacy for state or local government-funded programs discussed during the presentation?**
- **A (Anna Brugmann):**
  - Programs in New York City and New Jersey were pointed out as positive examples



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- NYC: NYC advertising set aside for community and ethnic media – built capacity and brought in revenue, training on media kits, normalized pricing. Learning about government policy and learning how to take advantage of advertising in general – invest in journalists.
- **New Jersey:** Consortium leveraged public money to use philanthropy to bring in additional money. More philanthropy into the fold as a civic good and how to fund it.
  
- **Q (Mark Jacob): Are there examples of seed funding for digital start ups or proposals for grant funds?**
- **A (Anna Brugmann):**
  - Looking at it more at the core of the issue, broadband as a digital equity strategy, looking at deserts where there is a lack of local news and lack of access to broadband (e.g. double deserts).
    - Good example of where philanthropy and government could come together.
  - Around the issue of re-seeding newspapers, need to be mindful that the best ownership is local ownership.
  - Replanting strategy, how to provide incentives to non-profit newsrooms, potentially loans-to-grants model, or succession planning.
  
- **Q (Randy Eccles): How tax credit legislation works for non-profit newsrooms, like NPR?**
- **A (Anna Brugmann):**
  - We worked closely with non-profits to ensure that proposals were friendly to public broadcasting.
  - The payroll is helpful and advertising tax credit can support.
  - The model doesn't work with every state, but we worked on it and it's possible. The advertising tax credit is especially helpful for leveraging local revenues for affiliates.
  - Subscription tax credit can be more tricky with membership.
  - On federal level, they are thinking about changing it to a voucher program to make it more non-profit family.
  
- **A (Penny Abernathy):**
  - There is a cohort that thinks everything is negative in the space and that for-profit model is bad, but we are going to have to have for-profit institutions that make it.
  - Discussed the importance of balance and thinking about do we encourage for profit models going forward as part of the larger landscape.
  
- **Q (Jason Piscia): When looking at this legislation, how are entities defining and qualifying journalism in order to avoid funding blogs, etc. that are funded by political interests**
- **A (Anna Brugmann):**
  - For a long time, people were hesitant to address this because we don't want government to define journalism.
  - It's more about looking at the business ethics behind the funding of the publications and transparency – focus on independent and ethical news models rather than defining journalism.
  
- **Q (Sam Fisher): Seems like the items at the federal level aren't getting any traction, what's exciting is what's happening at the state level. Anna made a comment about AB 886 not being scalable – can you elaborate? [Referring to California Assembly Bill Journalism Preservation Act 886].**

- **A (Anna Brugmann):**
  - o Due to the scope of the beneficiaries because it would include national publications and anybody with an audience in California.
  - o It could be scalable for a state but if we're thinking about the exact same language in every state that would be broad.
  - o As currently written, it's stacking the benefits for national outlets.
- **Q (Jenna Dooley): Penny had mentioned three areas of evaluation to look at next from a research perspective.**
- **A (Penny Abernathy):**
  - o Getting a comprehensive State level view – including county by county, community by community. Knowing how many journalists we have.
  - o Understanding how news is flowing in the news deserts and at-risk communities
  - o Knowing what business models work in which communities – need more rigorous studies about what works where. Need a strategy for the economically struggling models.
- **Q (Tim Franklin): With the federal legislation not all journalism orgs were behind it, thinking it would help the large chains rather than local publishers. Is there a way to structure legislation so that doesn't happen without discriminating against certain companies and now that we have NY & NJ examples, my concern is for politics. Has there been any evidence of political overreach?**
- **A (Anna Brugmann):**
  - o **Federal Q:** LION (Local Independent Online News Publisher) worked to improve the current iteration of the federal legislation to make it more equitable for smaller publishers.
    - Potentially looking at ensuring there is a certain amount of journalism and journalists happening.
    - About balancing to ensure it's equitable and not over burdensome for smaller outlets while keeping larger publications in check.
  - o **Political overreach:** We have not seen political overreach in NY & NYC. It's all about designing it correctly, our org wrote a policy paper on it. NJ is a solid model with the consortium they established, having it with an independent 501c3 is a good check. Highly transparent.
    - Also looking at transparency models for public advertising.
- **Q (Randy Eccles): Have you spoken with Corporation of Public Broadcasting at all, they have a very accountable audit model.**
- **A (Anna Brugmann):**
  - o Yes, we have drawn from their civic community grant program and looked at how to adopt. It's a great policy. We do look at that, especially with the auditing.

**Public Comment:** No members of the public offered comment.

**Adjournment:** Meeting was adjourned by Chairman Stadelman at approximately 3:05 p.m.