

Illinois Local Journalism Task Force



Block Club Chicago photos/Colin Boyle

An assessment of the news crisis and policy options Final report, January 2024

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The crisis

Illinois and the nation are in the midst of a local journalism crisis, with news outlets closing or shrinking at an alarming rate. This isn't just a business problem – it's a democracy problem, too.

An informed citizenry is essential to the health of our government on both the national and local levels, and reliable information is becoming an endangered resource as the news industry struggles with widespread technological and financial disruption.

As researcher <u>Penny Abernathy of Northwestern University's Medill School explained</u> in testimony to the Illinois Local Journalism Task Force, studies have shown that communities lacking robust local journalism <u>have lower levels of voter participation</u> and higher levels of corruption. And, of course, misinformation flourishes. Less measurable but still important is the sense of community that local news fosters.

"If no [reporters] are showing up at the local town council meeting, no one is watching it or holding anybody accountable," Abernathy said.

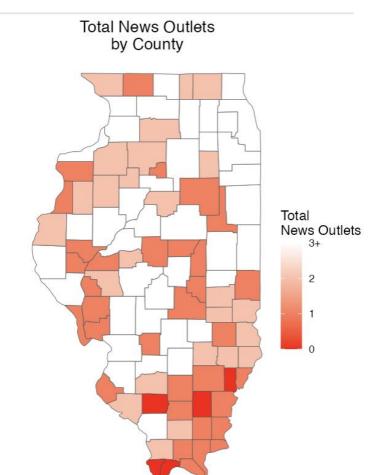
Five of Illinois' 102 counties have no local source of news, and 33 rely on just a single source, according to The State of Local News 2023, a research project led by Northwestern's Medill Local News Initiative. The report focused on "news deserts," which Abernathy defines as "a community, either rural or urban, where residents have very limited access to credible and comprehensive news and information that feeds democracy at the grassroots level and nurtures community."

The five no-local-news Illinois counties are Pulaski, Alexander, Perry, Hamilton, and Edwards. And more counties could soon join that list. Using predictive modeling, Medill has put four additional counties on its "watch list" because of the high risk of losing their single news source

in the next five years. Those counties are Hardin, Gallatin, Pope, and Brown. The problem is getting worse: three of the five Illinois counties with no local news source joined that list in the last half decade.

According to the Medill research, the Chicago area is among the 20 U.S. metro areas with the highest loss of news sources per capita. The decline has been especially marked in Chicago's

suburbs.



The number of newspapers in Illinois has dropped by more than a third since 2005, putting the state in the top 10 for the most newspapers lost. In that time, journalism jobs at Illinois newspapers have plummeted 86%, meaning that even those outlets that have survived have often been greatly reduced in their ability

Digital-only start-ups haven't come close to making up the difference, either in Illinois or nationally. "The new start-ups are doing great work, but they struggle to build audience," Nancy Lane, chief executive officer of the Local Media Association, told the task force.

How did we get to this point?

to cover local news.

To a large extent, legacy media have been overrun by the web. When a recent Pew Research Center survey

asked Americans which platform they prefer to get their news on, 58% said digital devices, while 27% said television, 6% said radio and only 5% said print publications. The dramatic transformation of consumer habits over recent decades has led to huge losses in advertising revenue for local news as Big Tech companies have gotten rich. According to the Pew Research Center, ad revenue for publicly traded newspaper companies decreased from nearly \$50 billion in 2009 to \$9.8 billion in 2022.

Additionally, the rise of big-box stores has contributed to the decline of downtown retailers that were historically a steady source of revenue for newspapers and local radio.

Newspapers have tried to shift from an ad-based revenue model to a subscription-based approach, but so far that revenue hasn't come close to offsetting the loss of advertising. Meanwhile, costs keep climbing. And this financial distress has led to the entry of hedge funds and other investors with a strategy of slashing staff and raising subscription rates for a short-term profit, with little thought to long-term sustainability.

As the task force conducted its research in 2023, an especially stark example of staff-slashing occurred. Lee Enterprises sold the seven-decade-old Southern Illinoisan newspaper in Carbondale to the Paxton Media Group. Then Paxton <u>laid off the Southern's entire staff</u> of union-represented journalists.

Newspapers have always described their three largest costs as people, paper, and distribution, including postage. Unfortunately, as postage, paper and gasoline prices have gone up, people have taken the hit.

"Postage costs have increased by 40% in the last two and half years with another 7% increase coming in January," said John Galer, owner of the Hillsboro Journal-News in southern Illinois. Galer, who is also the board chair for the <u>National Newspaper Association</u>, said that newsprint costs have also increased 23% in the last two years. "The combination of postal and newsprint increases puts pressure on maintaining current news staffing but that won't last unless something happens," Galer said.

In Illinois, some of the mightiest news operations have slid from prominence, and some of the less mighty have disappeared altogether.

The Chicago Tribune, long the largest news organization in the Midwest, <u>lost 82% of its newsroom staff</u> from 2006 to 2022, according to research by John K. Lauck in the Middle West Review. The Tribune, a newspaper that played a key role in both the rise of Abraham Lincoln and the fall of Richard Nixon, is now a diminished force owned by the Alden Global Capital hedge fund.

While the local news crisis is felt strongly in Chicago, its journalism community has developed innovations that have softened the blow. Public radio station WBEZ has merged with the Chicago Sun-Times to keep that 75-year-old newspaper going. This merger is being closely watched nationwide as a possible approach to preserve legacy media. Nonprofits such as Block Club Chicago, ProPublica, the Better Government Association, the Chicago Reader, and Injustice Watch have raised their game to provide quality journalism to Chicagoans. Nonprofits have been boosted by charitable contributions, and indeed "philanthropic support for local journalism is at an all-time high," the LMA's Lane said.

Also speaking to the task force, Steve Waldman of Rebuild Local News noted that a national funding coalition called Press Forward will contribute more than \$500 million to local news over the next five years. Waldman called that "a very, very important development" but said the

industry has "lost nearly \$40 billion in newspaper advertising revenue over two decades." Even that \$500 million pledge gets the news industry just a short step toward recovery.

As advertising has plunged, for-profit news shops have attempted to reach financial solvency by putting paywalls on their websites to encourage paid subscriptions. Those revenue efforts have had mixed results, but one outcome is clear: a more limited reach for these publications.

Even nonprofit outlets that are succeeding through the benevolence of philanthropists see an uncertain future ahead. As Block Club Chicago co-founder <u>Stephanie Lulay told the task force</u>, "The foundation world has various priorities, and they're always changing, and it can be hard to navigate. And it can be hard to know where news fits into those priorities."

While charitable funding is boosting Chicago's nonprofit outlets for the time being, it's virtually nonexistent in some rural areas of Illinois. The same with digital-only start-ups: They are overwhelmingly an urban phenomenon, with very few serving rural audiences. Although the news crisis is severe across Illinois, it's especially acute in downstate rural areas. Almost all the counties that lack a single local news outlet or are on Medill's "watch list" are in southern Illinois.

In recent decades, many rural Illinois news consumers have relied on coverage by chain newspapers owned by companies such as Gannett and Lee. But those companies have steadily and dramatically cut back on staff, leaving some of their outlets as "ghost newspapers" where no journalist works full-time.

One attempt to compensate for the disinvestment by major chains in rural Illinois is occurring in Macomb, a town of 27,000 in the western part of the state. The task force heard from Lynne Campbell, who publishes the Community News there. As a former regional publisher for GateHouse Media, which later merged with Gannett, Campbell saw how chain-owned local news faded downstate. She left the chain, improved two independent rural papers and then moved on to provide local journalism in her hometown, Macomb.

Campbell's start there was modest: a free collection of news briefs reproduced on a copy machine and left at restaurants and other locations. Now the Community News has grown into a newspaper that offers twice-a-week paid editions plus a free weekly edition. Its emphasis is on print, not the web. "People seem to really enjoy the retro feel of a newspaper, holding it in their hand and being able to read about the news that way," she told the task force.

And in a reflection of a contemporary local journalism trend, she is emphasizing collaboration over competition, sometimes conducting joint reporting with Tri States Public Radio.

While the impact of the local news crisis has fallen most dramatically on newspapers, broadcast media is facing increasing uncertainty.

Broadcasting in Illinois falls under a wide range of commercial and non-profit models, creating a disparate landscape of revenue streams, staffing, compensation, and financial stability among newsrooms and broadcast license holders in the state. Local TV revenue follows a cyclical pattern in which advertising revenue rises in election years and falls in non-election years. Local stations also benefit from retransmission fees paid for by pay television services, but as consumer viewing habits shift, the future of such fees is murky. Some industry observers believe local television stations will eventually face the severe financial distress that local newspapers are facing now. In Illinois commercial broadcasting, there are fewer reporters, camera personnel, producers, directors, and writers employed than there were just 10 or 15 years ago.

Among Illinois Public Broadcasting outlets, local underwriting revenue for public media decreased during the pandemic and has not returned to pre-pandemic numbers. Listener donations are traditionally the largest single source of revenue for public broadcasting. But, as is the case for many other nonprofits, donations to public radio are declining as donors wrestle with rising costs elsewhere in their lives.

This revenue volatility affects the overall ability for broadcasters to sufficiently staff a newsroom. This is especially true in already-underserved areas of Illinois. Additionally, state funding for public media over the past 15 years has decreased from \$4,011,976 in fiscal year 2009 to \$1,657,800 in fiscal year 2024. These funds are administered through a grant from the Illinois Area Arts Council. Illinois' funding for public broadcasting is 12 cents per resident per year, less than the investment in any neighboring state.

While rural areas downstate are clearly being underserved, so are some communities of color in urban areas. Chicago was once home of a great Black newspaper, the Chicago Defender, which has survived as an online-only publication but with much less reach than it once had.

Amid the unmet needs, there are signs of hope. The <u>TRiiBE website</u> in Chicago has attracted attention for its vibrance in appealing to a young Black audience. The Harvey World Herald offers another example of the new generation of media serving readers of color. Its 26-year-old founder, <u>Amethyst Davis</u>, <u>spoke to the task force</u> about the challenges of starting her news outlet and the importance of serving her audience.

Harvey is a south suburb of Chicago with a population of about 20,000 that Davis described as a food desert "reckoning with generations of racially segregated, concentrated poverty."

The World Herald, which publishes its news on a website and email newsletter, is "a Black-owned, queer youth-led and -driven newsroom. We're actually the only newsroom in town," Davis said.

Davis launched in 2022, and her operation survives primarily on grants and reader donations. It has received various types of support from the Craig Newmark Graduate School of Journalism

at the City University of New York, the <u>National Association of Black Journalists</u> and the <u>Chicago Independent Media Alliance</u>.

The World Herald has provided citizens with voter information where none existed before. It has caught Harvey officials violating the open meetings act and prompted reform in that area, according to Davis. "There's this sort of sentiment now that the Harvey community has an ally, which I really take pride in," Davis said.

Illinois' Spanish-speaking news audience is also underserved, though the weekly newspaper La Raza survives as a key source of information and has been able to gather support from several local foundations. The Chicago Tribune's Spanish-language newspaper, Hoy, was shut down in 2019. A former managing editor of Hoy, Fernando Díaz, said In a 2022 Medill interview that Spanish-speaking media in Chicago have not bounced back from the financial blows of recent years.

"A lot of the small, for-profit, mom-and-pop publications have folded in the last five years," said Díaz. "... All of the damage and all of the loss of jobs and loss of outlets that happened in English happened five times as fast in Spanish because it was already small to begin with."

LMA's Lane expressed concern about how the current journalism environment fails to inform many members of the public. "Paywalls are necessary for legacy media to stay in business," said Lane, "but this has shut out news and information for those who can't afford or won't pay, causing an information void. This is really terrible for democracy."

The lack of government oversight is especially alarming in Illinois, which has more units of government than any other state. Illinois' <u>8,517 units of local government</u> range from cities to drainage districts. By statute these units are required to post annual meeting dates, meeting agendas, and meeting minutes to their websites. A Citizens Advocacy Center survey commissioned by the Illinois Press Foundation in 2017 found that of the 825 public bodies surveyed, only 49% had a website. Of those that did, 91% complied with posting notices, 71% complied with agenda posting and 74% complied with posting approved meeting minutes.

Which makes independent local news reporting vital and the lack of it dangerous to the health of our democracy.

Preserving local news is an enormous challenge, but a vital one.

As the Harvey World Herald's Davis put it: "Building a newsroom is hard, but living in a community without one is even harder."

Policy options

The previous "crisis" section made clear that the time for solutions is now. The rapid disappearance of local journalism is plaguing the state and the country, and public policies to support local news and its journalists are critical. The Local Journalism Task Force has met with industry leaders and experts and compiled a list of options to address the problem. Not all the possible solutions would require special legislation. For example, the state in its budgetary process could restore funding to public broadcasting that has been lost in recent decades. It's budgeted at \$1.66 million for 2024, down from a high of \$5.25 million in 2002. (Adjusted for inflation, that \$5.25 million would be about \$9 million today.) Advocates for public broadcasting say increased funding could help deliver information to residents of Illinois' "news deserts."

Below are descriptions, along with past research on and examples of policies that Illinois could implement. No single measure will have a strong enough effect on its own, so the task force recommends a multi-pronged approach. Experts such as Steve Waldman of Rebuild Local News have emphasized that increasing the number of working journalists should be Job 1. The following policy options would have various impacts on that crucial metric, and they also vary as far as whether they would bring relief in the short term (such as tax credits) or are more long-term (such as taking on Big Tech to share advertising revenue). In any case, the task force strongly supports all of these options as positive approaches to address a problem that is harming the health of our democracy. Unless otherwise noted, writing these policies would require legislators to define what news organizations are eligible to benefit from the solutions. Research on and recommendations for those definitions are included in Appendix IV.

Subscription tax credits

Several types of tax credits can be utilized to benefit local news. The first, subscription tax credits, provide tax credits to state residents who subscribe to digital or print media. A bill involving subscription tax credits in Massachusetts, still in the amendment process, would offer state residents a \$250 tax credit for digital or print media subscriptions to community newspapers. Oregon proposed a similar subscription tax credit not to exceed \$100 on a joint return (or \$50 on any other return) for the cost of subscriptions to media news outlets as well as donations to organizations that support professional journalists, news media professionals, government transparency and public records reform. Oregon's proposal failed in the 2023 session. These tax credits provide money to local news economies in the form of subscriptions, which many experts view as the key to journalism's future and sustainability. Additionally, consumers decide which media outlets to subsidize, decreasing government and political involvement.

Estimated cost: This would depend on the size of the tax credit and the number of people who take advantage of it. The first number is variable and the second is unpredictable.

Advertising tax credits

These credits are provided to small businesses that advertise in local news outlets. As a result, this type of tax credit provides benefits to local businesses, local economies and local news. These benefits were studied in the 2022 Colorado Market Study, which found that 85% of consumers believe a product is "right" for them if seen in a news product. The study also found that advertisements in newspapers produce a return on investment that is 20% higher than that generated from online search and 10% higher than social media. Colorado and Wisconsin introduced advertising tax credit bills, both of which failed to pass. Colorado's proposed credit aimed to provide small businesses with fewer than 50 employees who advertise in local news sources a credit equivalent to 50% of the money spent on advertising, up to \$2,500 per year. Maryland's proposal, which remains in the House, outlines up to \$3,000 in tax credits to local businesses that advertise in local news outlets (\$1,000 in the first year and \$500 in the following four years). This type of tax credit limits government discretion, as decisions about which news organizations benefit would be made by businesses rather than government officials. The relationships formed between businesses and local news may persist beyond the duration of the bill. Small businesses have to put in their own money upfront, so they will pick the news outlets they think will deliver on their marketing goals best, which means the benefits could be unevenly distributed.

Estimated cost: A report created by the Maryland Department of Legislative Services states that "a preliminary estimate by the Comptroller's Office suggests that state revenues may decrease by as much as \$12 million annually in the first four years of implementation." Anna Brugmann from Rebuild Local News said estimates of the impact of the advertising tax credit usually assume every qualified small business within the state will take the full potential benefit. She warns that this method does not consider what businesses will actually advertise in local news media and suggests working with small businesses and/or the press association to gauge advertising behavior and more accurately inform the estimate.

Labor/payroll tax credits

These credits intend to incentivize hiring, retention and fair pay of local journalists. The <u>Local Journalism Sustainability Act</u>, a proposed federal `of which Rebuild Local News is a strong advocate, includes payroll tax credits. The payroll tax credit outlined in the Local Journalism Sustainability Act would provide a refundable tax credit for five years of up to \$25,000 in the first year and up to \$15,000 in the following years for each full-time local journalist. In order to

receive the full benefit, the journalist's salary must be equivalent to \$50,000. This type of tax credit is beneficial because it brings more local journalists into the industry, an important measure of local journalism success. However, there is no guarantee that a news outlet will use the credits to increase staff. Additionally, these credits do not solve the issue of news deserts. New York is working to provide a payroll tax credit, but it has not passed yet. The legislation provides a credit, equal to 50% of a journalist's quarterly wages (not to exceed \$12,500 each quarter), against income taxes for local journalists and qualifying organizations. In order to qualify, the journalist must provide qualified services for an average of thirty hours per week and must reside within the designated broadcast market or within 50 miles of the local community of the qualifying publication.

Estimated cost: Federal payroll taxes as a part of the Local Journalism Sustainability Act were estimated to cost \$1.67 billion. No data exists on state costs.

Tax exemptions

As passed in the state of <u>Washington</u>, a tax exemption will excuse local news outlets from state business and occupation (B&O) taxes, which are a tax on gross receipts. Illinois does not have such a tax, but a similar move would be an exemption from corporate income taxes. This approach gives existing newsrooms a little more slack in their budgets to retain journalists and produce their news products. However, like labor and payroll tax credits, tax exemptions do not guarantee that the businesses would use the savings to improve their journalism, and they would have no impact on "news deserts" that lack local journalism outlets. Washington state's bill was signed into law and took effect on January 1, 2024.

Estimated cost: According to a <u>report</u> by the state of Washington's Office of Financial Management, the bill is expected to decrease state revenue by \$386,000 in fiscal year 2024 and by \$1.2 million in fiscal year 2025, the policy's first full fiscal year of impact.

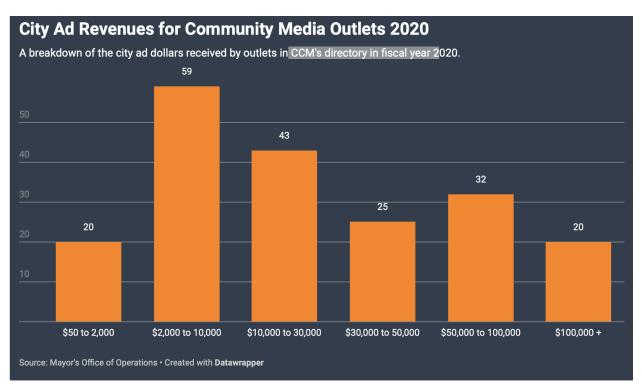
Advertising set-asides:

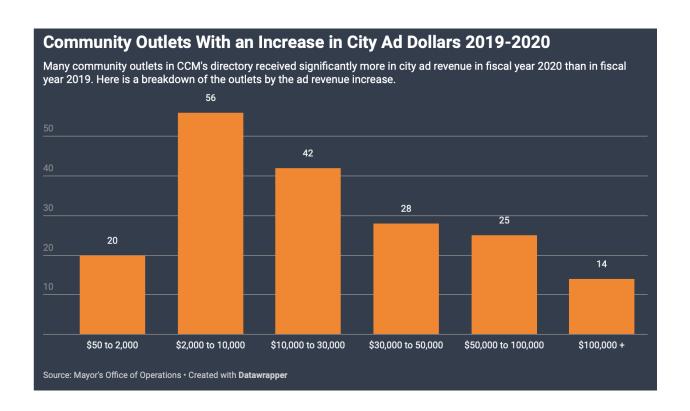
A type of public policy that has proven beneficial for local news in New York City is the advertising set-aside, which mandates a percentage (often at least 50%) of government advertising dollars to be spent on ads in local news/media outlets. This program is considered beneficial because community media outlets are likely to reach the intended audiences of public information campaigns; thus, it helps the city reach the communities it serves. Additionally, pairing city advertising with local news establishes a mutually beneficial "one-stop shop" for public information and civic engagement. The inclusion of ethnic media outlets targets an increasingly diverse audience.

New York City has seen success with its advertising set-aside policy, which became effective beginning in fiscal year 2020. Before the policy was enacted, a 2013 study by the Center for Community Media (CCM) determined only 18% of city advertising dollars were directed toward local media outlets. CCM's 2020 report outlines the success of the policy, stating that 84% of city advertising agency funds, equivalent to \$9.9 million, were allocated toward community media within the policy's first year. Connecticut has also considered an advertising set-aside policy, but the state has yet to pass the bill. Connecticut's policy requires at least 50% of state print and digital advertising contracts to be awarded to media outlets owned by in-state or nonprofit entities. Under this policy, a business is considered out of state if it is owned by a parent company that primarily operates out of another state. The City of Chicago adopted a similar policy by executive order in October 2022 under Mayor Lori Lightfoot, with the Chicago Independent Media Alliance as a major proponent. The Chicago policy has not yet been implemented, but has the support of new Mayor Brandon Johnson.

Estimated cost: Does not involve new spending, as advertising dollars are simply reallocated to community and ethnic media.

Here are the figures on local news advertising set-asides in New York City (with more information here):





Grant programs and consortiums

In grant programs, organizations or committees funded by state and/or private funding provide resources and support to local news or public information initiatives. Currently, New Jersey is the only state with this program. The New Jersey Civic Information Consortium is made up of state employees, people in the journalism industry, community leaders, and New Jersey partner university staff members. Together, members of the consortium choose grantees from pools of applicants and provide them with varying amounts of money and support and arrange partnerships with universities. It funds projects that improve the accessibility, sustainability and quality of local news and public information.

In the first two years of the consortium, the consortium has funded journalist/student training programs, local news outlets that were at risk of leaving towns as news deserts, public information archival projects, Spanish-language news outlets and programming, outlets and projects focused on gentrification and New Jersey's BIPOC communities, an investigative journalism center, a public high school's journalism program, and funding for research of the state's local news ecosystem. In 2021, the consortium used its \$500,000 budget to award 14 grants of up to \$35,000. In 2022, it used its \$990,000 allocation for 22 new grants and began offering larger grants. Midway through that year, it received \$1 million in public funding for an additional round with 11 new grants and eight bump-up grants from the previous year. In 2023,

it awarded 36 grants with close to \$3 million from the state and close to \$1 million from private funding.

Grant programs can support both commercial and noncommercial efforts, can target news deserts with traditional and nontraditional public information projects, can set criteria for which types of news outlets qualify, and involve universities. Some advocates say much more funding of this type is necessary to make a significant difference, but even the current levels of funding draw political opposition. The need for the consortium to return to the legislature each year for a new appropriation means sustainability of the program is a challenge. Additionally, Illinois would need to set up a similar, bipartisan committee to administer the grant program and minimize favoritism in awarding grants.

Estimated cost: Depends on the scope. The New Jersey consortium began with \$500,000, which has grown to \$4 million in 2023 since the success of the program.

Fellowships

Fellowship programs designate funds to pay early-career journalists to work in local newsrooms, in partnership with a university in that state. Local newsrooms and student/early-career journalists must apply for these programs. In most cases, the fellow must bring something to the newsroom that it does not already have, such as coverage of a nearby news desert or a new beat. These programs can directly help newsrooms, have the benefits of university partnerships, and encourage local journalism as a career for young people. Programs, in their current states, do not address business sustainability for local newsrooms. Once the fellowships end, there is no guarantee that the newsrooms will thrive or even survive.

<u>California</u> is the most well-funded example of this policy. With a \$25 million allocation, it just sent out its first of three classes of fellows. Partnered with the University of California, Berkeley, the program will send out 40 fellows each year for two-year fellowships. California is the biggest proponent of turning this into a sustainable, national solution — it is working with other states and seeking to track the impact of the program by following fellows and newsrooms after the fellowships.

New Mexico also has a fellowship program. Partnered with the University of New Mexico, the state has sent classes of fellows on nine-month fellowships since 2019. The least expensive of the three existing programs, it has sponsored only 23 fellows since 2019 — but the majority are now working full-time in local newsrooms. The program was just approved for another \$125,000 allocation, which allowed it to sponsor seven fellows this year.

<u>Washington</u> recently approved \$2.4 million for its own fellowship program, which will begin next year and send eight fellows each year to local outlets for two-year stints. It is modeled

after California's program and in partnership with Washington State University, which will award a digital media innovation certificate to fellows upon completion of the two years.

Estimated cost: Anywhere from \$500,000 to \$25 million, depending on the scope of the program

Revenue from Big Tech

Efforts to get Big Tech firms to share advertising revenue with the news operations whose work appears on their sites often focuses on seeking exemptions from antitrust laws. Such exemptions would allow newsrooms and media companies to negotiate collectively with tech giants like Google and Meta. Or, if the companies refused to negotiate, government policies could require Big Tech to pay newsrooms. California's Journalism Preservation Act, one example of this, made it through the state Assembly but has been held up because of pushback from tech companies and media activism groups. Australia has implemented this kind of program successfully. Canada also passed such a policy, which resulted in Meta blocking all news on its platforms in the country. Google threatened to do the same in 2024, but it recently reached an agreement with the government after months of negotiations. This policy has the potential to create sustainable business models for local journalism, which many other policies do not. Some groups, however, think these policies will push bigger publishers to make deals with tech giants, forcing smaller newsrooms into even further disarray. The harsh pushback of Meta in Canada also proves worrisome for many. This report has more information about these policies and the conversations around them, specifically at the state level (i.e. California).

Estimated cost: Expenses to enact this system would not be high, but there's the possibility of legal or political costs due to pushback from influential tech companies.

"Replanting"

Incentives for local ownership are a topic of increasing discussion but have not been reflected in legislation yet. Rebuild Local News has pushed the idea of "replanting," or incentivizing communities to keep their paper ownership local. This idea tackles the issue of newspaper barons and private equity firms buying newspapers, consolidating them until they provide very little local news with few to no local journalists, and eventually shutting them down. Steve Waldman of Rebuild Local News suggested that when news organizations are suffering under chain ownership, or even struggling with family ownership, they donate the paper to a new or existing community organization. A local news fund would manage the donation, the conversion, and the efforts to make the paper sustainably successful. An example is the foundation-funded New Mexico Local News Fund.

Waldman argues that <u>policies</u> such as tax incentives for donating papers would facilitate the success of this idea. Though there are no state policies like this, some owner transfers like this have happened on a smaller scale. The Chicago Sun-Times was bought by the Chicago Federation of Workers in 2017 to keep it out of the hands of the rival Chicago Tribune's parent company. (The Sun-Times was later acquired by the parent company of public radio station WBEZ.) Another example of a concerted effort to keep news outlets locally controlled, <u>The Colorado Sun</u> partnered with the National Trust for Local News to buy 24 local Colorado papers, which will operate under a public benefit conservancy.

Other solutions

Task force members and presenters touched on a number of other possible solutions, which have not yet been seen in any legislation and which the task force did not spend much time discussing. These options require further development and research time before going into legislation, but they are worth including as food for thought:

- **College loan forgiveness:** Such a program would pay off college loans for young journalists who commit to working in local journalism for a certain number of years.
- **Subscription subsidies:** Similar to subscription tax credits, a subscription subsidy program would help pay for local news subscriptions for citizens below a certain income level.
- State-funded journalism courses and scholarships: These would be implemented in state universities to encourage more students to pursue careers in local journalism.

Little or no research or news coverage exists on these options.

Appendix section

Appendix I:

LOCAL JOURNALISM TASK FORCE MEMBERS

The task force was proposed by state Sen. Steve Stadelman, D-Rockford, in the <u>Local Journalism</u> <u>Task Force Act (20 ILCS 4108/)</u>, which was passed by the Illinois General Assembly and signed into law by Governor J.B. Pritzker in 2021. The task force was charged with conducting a

"comprehensive, nonbinding study relative to communities underserved by local journalism in Illinois" and making public policy recommendations for alleviating the problems. Membership was designed to represent a wide range of stakeholders on the issue. Those members are:

Sen. Steve Stadelman, chair

State Senator, 34th District

Former TV anchor and reporter

Jordan Abudayyeh

Deputy Chief of Staff for Communications and Strategic Media,

Gov. J.B. Pritzker

Jesus Del Toro

Chicago Independent Media Alliance

Director general, La Raza newspaper, Chicago

Sen. Don DeWitte

State Senator, 33rd District

Jenna Dooley

Immediate past president, Illinois News Broadcasters Association

Randy Eccles

President, Illinois Public Broadcasting Council

General manager, NPR Illinois

Sam Fisher

President and CEO, Illinois Press Association, retired

Timothy Franklin

Senior Associate Dean and John M. Mutz Chair in Local News

Director, Medill Local News Initiative

Medill School, Northwestern University

Dong Han, Ph.D.

Associate Professor, School of Journalism and Advertising

Southern Illinois University Carbondale

Mark Jacob

Chicago News Guild

Former editor at Chicago Tribune and Chicago Sun-Times

Josh McGhee

National Association of Black Journalists

Investigative reporter, MindSite News

Julie Moore Wolfe

Illinois Municipal League

Mayor of Decatur, former TV anchor and reporter

Tim Myers

Illinois Broadcasters Association

Vice president and general manager, WIFR Rockford

Allison Ann Petty

Illinois Legislative Correspondents Association

Jason Piscia

Director, Public Affairs Reporting program, University of Illinois Springfield

Adam Rhodes

Association of LGBTQ Journalists

Training director, Investigative Reporters & Editors

Rep. Dave Vella

State Representative, 68th District

Christopher Willadsen

Former president of Local 41, National Association of Broadcast Employees and Technicians-Communications Workers of America

Transmission technician for WFLD/WPWR

Appendix II:

THANKS TO THE FOLLOWING PEOPLE FOR THEIR INPUT

Penny Abernathy

Visiting Professor, <u>Medill School of Journalism, Media, Integrated Marketing Communications</u> at Northwestern University

Anna Brugmann

Director of Policy, Rebuild Local News

Stephanie Lulay

Executive Editor, Co-Founder of Block Club Chicago

Amethyst Davis

Founder of <u>Harvey World Herald</u>

Lynne Campbell

Owner, Founding Editor of Community News Brief, Community News and Market

Nancy Lane

CEO, Local Media Association

Steve Waldman

President, Rebuild Local News

Mary Randolph

<u>Medill School of Journalism, Media, Integrated Marketing Communications at Northwestern</u>
<u>University</u>

Hannah Carroll

<u>Medill School of Journalism, Media, Integrated Marketing Communications at Northwestern University</u>

Andy Grimm

President, Chicago News Guild

Mike Rispoli

Board Member, New Jersey Civic Information Consortium

Senior Director of Journalism and Civic Information, Free Press

Reach him here

Steve Katz

California Local News Fellowship Program

Assistant Dean For Advancement, University of California, Berkeley Graduate School of Journalism

Reach him here

Christa Scharfenberg

Project Director, California Local News Fellowship Program

Reach her here

Danielle Coffey

President and CEO

News/Media Alliance

Neil Quinter

Senior vice president, Global Government Affairs

News/Media Alliance

Appendix III:

THE TASK FORCE'S SESSIONS

All agendas and minutes for the Illinois Local Journalism Task Force's sessions are posted on the website of the state's <u>Department of Commerce & Economic Opportunity</u>.

Here are video recordings of the task force's sessions:

- March 27, 2023 session
- June 15, 2023, session
- Aug. 15, 2023, session (1)
- Aug. 15, 2023, session (2)
- Oct. 16, 2023, session
- Nov. 16, 2023, session
- Dec. 1, 2023, session

- Dec. 11, 2023, session
- Dec. 27, 2023, session
- Jan. 5, 2024, session

Appendix IV:

WHAT MEDIA ORGANIZATIONS SHOULD QUALIFY FOR HELP?

In order to ensure that public policies are carefully tailored to support local news, it may be helpful to define what qualifies as journalism. The American Press Institute emphasizes purpose and process as defining features of journalism. The journalism process emphasizes systematic processes of disciplined verification, assembly and verification of facts from multiple sources, disclosure, context and representation. The purpose of journalism is one of functional truth: providing readers with verified information used to make better, informed decisions. Although journalism may be entertaining, its primary purpose should be to inform with public interest at the forefront rather than self interest or beliefs. Journalists should not be devoted to a specific outcome while enduring the systematic processes of journalism.

But according to Anna Brugmann at Rebuild Local News, defining journalism may not be the best option when building policies for an evolving media landscape. Instead, Brugmann suggested defining the types of media outlets the state wishes to support. Brugmann and the Rebuild Local News website suggest a few essential qualifications: nonpartisan, transparency of ownership, local and editorial independence. By using more binary criteria. Rebuild Local News also suggests that policies should benefit both small and medium players and should aim to increase the number of local journalists.

To further determine how to define media outlets within public policy, we can look to policies enacted across the country for guidance. The criteria used by other states tends to fall under four primary categories: content, audience, employment and business standing. Here's more on that:

Content: When governments seek to support local journalism, they may focus on news outlets that produce original, trustworthy content related to news and current events via journalistic practices, including the use of primary sources, interviews, observations of current events, analysis of documents and fact-checking. Some states include further criteria, such as media outlets updating content at least weekly and having a transparent editorial process for error correction and clarification.

Audience: When defining what is *local* news, governments may look at the percentage of readership within a publication's state of operation. However, Brugmann warned against using "majority" or high percentages because of population churn. Instead, Rebuild Local News suggests audience percentages of about 35%, if any such criterion is used. The share of coverage dedicated to local news and issues may be more helpful, as publications do not have control over their audiences. They do, however, have control over the content they produce.

Employment: Public policies aiming to help local journalism often include a requirement that a

media outlet employ at least one full-time journalist who resides in the designated state.

Business standing: Many public policies state that media outlets must be covered by media liability insurance and/or be in existence as a registered business in the state for at least 12 months before it can qualify for these policies.

A more detailed report prepared for the Illinois Local Journalism Task Force on this issue can be accessed <u>here</u>. On the Rebuild Local News site is an annotated version of proposed federal legislation that <u>addresses this issue</u>.