

REBUILD LOCAL NEWS

Maryland Senate Budget and Taxation Committee
3 Miller Senate Office Building
Annapolis, Maryland 21401

Chair Guzzone, Vice Chair Rosapepe, and members of the Committee:

My name is Lori Henson and I am a policy manager with Rebuild Local News. We are the leading nonpartisan nonprofit coalition representing 3,000 newsrooms and more than 15,000 journalists. We develop and advocate for effective public policies designed to strengthen community news and information. In that role, I ask you to advance SB0459, which requires government agencies to set aside half their discretionary advertising spending for local news outlets.

SB0459 takes a unique – and budget-neutral – approach to revitalizing local news. This bill would keep government agency advertising dollars circulating in local communities through newspapers, digital sites and public media that provide community news, rather than sending taxpayer money to out-of-state businesses like Google, Meta or national cable TV networks. Setting aside a portion of state advertising for community media is an innovative and smart policy approach that will ultimately allow Maryland's local news organizations to deepen and expand coverage of essential civic and community life across the state.

A similar municipal-level advertising set-aside approach is already showing substantial results for community and ethnic news outlets in New York City. In its first five years, the policy has directed more than \$72 million to local outlets in the city. Small publishers including the Haitian Times have been able to add staff and improve news coverage because of the additional revenue. There is no evidence that this harmed the city's ability to effectively get their messages out, and indeed in many cases they were able to better reach hard-to-reach audiences. The policy has also diversified the range of news outlets receiving advertising.

Maryland would lead the nation with a statewide government advertising set-aside approach; SB0459 would be the first bill of its kind to pass at the state level. What is also important about this bill is what it does not do. It does not require an increase in spending on government advertising. It merely prods state agencies to be intentional in spending half of its advertising locally. SB0459 does not impact how agencies advertise their messages – the content of government advertisements remains determined entirely by the state agencies in collaboration with their marketing and advertising professionals.

The bill also does not favor any particular news outlet. Further, it does not prevent agency staff from utilizing the full range of available media tools to promote programs and services..

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Among local news outlets, agencies may still choose the media that best connects them with the audiences they want to reach – through newspapers and their websites, online-only news sites, local TV or local radio and broadcast stations. The bill preserves government agencies working through traditional advertising processes. Importantly, local news organizations will still have to compete for advertising dollars; this policy is not an entitlement. Local news outlets will have to provide up-to-date media kits and analytics, so that marketing professionals can make informed and strategic decisions about ad placements.

This policy did not develop in a vacuum; it is an innovative response to address the crisis faced by local news organizations and the communities they serve. A crisis that is by now well known, but that is ongoing, and a threat to our democracy. Small and medium sized communities, some of which are now news deserts are especially at risk of being left without a source of local news coverage. A recent study by Rebuild Local News and Muck Rack found that Maryland local news outlets are struggling to cover local communities, ranking 47th out of 50 states in the number of local journalists per 100,000 people. Fewer than 6 reporters, on average, are working to cover news for every 100,000 Maryland residents. According to the Medill Local News Initiative, in the decade between 2013 and 2023, Maryland lost more than two-thirds of its journalists – more than 2,000 newsroom jobs. Between 2023 and 2024 alone, the state saw a 15% decline in the number of daily and weekly newspapers.

Research shows that when a local news outlet closes, communities face higher borrowing costs, lower voter turnout, fewer choices of candidates on the ballot, more government waste and corruption and more corporate crime. Local news benefits communities in countless ways. SB0459 is a smart and tested approach to supporting Maryland's local news outlets. I urge the Committee to advance the bill, not just for the health of Maryland local news, but for the health of communities across Maryland.

Sincerely,

Lori Henson
Policy manager
Rebuild Local News