

# REBUILD LOCAL NEWS

February 26, 2025

House Committee on Government Operations and Military Affairs  
Vermont General Assembly

To the Committee on Government Operations and Military Affairs, Chair Birong, Vice Chair Hango, and Ranking member Waters Evans...

I am happy to testify in support of the bill that Reps. Rachelson and Waters Evans have introduced, H244 – an important bill for local communities across Vermont. I manage the advertising policy portfolio at Rebuild Local News, a national nonpartisan nonprofit organization that represents more than 3,000 local newsrooms across the country. Together with our member organizations, we advance public policies to counter the collapse of local news, revitalize community journalism and strengthen democracy. I urge the committee to support H244's advancement.

The crisis faced by local news organizations and the communities they serve is well known, ongoing, and a threat to our democracy. It is particularly dire for small and medium sized communities, some of which are now news deserts – without a source of local news coverage altogether. Vermont has not been spared from the ill effects of this crisis; the state lost one daily and three weekly newspapers over the past year alone. Between 2013 and 2023, according to the Medill State of Local News project at Northwestern University, Vermont lost more than half of its journalists.

We've learned what happens when communities lack local journalism by studying the effects of the closure of more than 2,000 newspapers since 2004 – losses that continue at a pace of 2.5 newspaper closures on average per week. Voting rates decline. Municipal borrowing costs can go up. Government waste increases, Citizenstend to feel less connected to their communities when a local newspaper closes. Polarization goes up. Even news organizations that have weathered this unprecedented crisis are doing so with fewer journalists. Newspapers have lost at least 57% of newsroom employees since 2004, even as the community populations grow, leaving fewer journalists stretched too thin. Stretching newsrooms to the breaking point is especially common at hedge-fund-owned newspapers, which now control about 50% of daily newspaper circulation in the United States.

Unfortunately, the challenges facing local news organizations are becoming the rule in communities across Vermont and in every state, not the exception. What is exceptional is the bill before this committee. H244 takes a unique approach to providing public support for what is an essential public good: local news. It is an innovative and hopeful policy approach that not only supports local news organizations through a government advertising set-aside. It will ultimately allow local news organizations to deepen and expand coverage of essential civic and community life across Vermont, while protecting their editorial independence, and leveraging existing state funds.

Vermont will lead the nation with this statewide government advertising set-aside approach; H244 would be the first bill of its kind to pass at the state level. What makes this bill so groundbreaking is that it requires government agencies to be more *intentional* about their advertising spend – distributing ad placements more equitably among Vermont community news outlets. This broader distribution is especially helpful to small and mid-sized news organizations. It requires advertising agencies and government agencies to be transparent about where advertising dollars are spent. It also requires the engagement of an independent third party to ensure that the policy is being followed fairly and consistently by government, advertising agencies, and news organizations. Crucially, the bill protects the independence of news organizations – treating government advertising for things like job recruitment, public health information, and government services as any other advertising – the same way news organizations do today.

What is also important about this bill is what it *does not* do. H244 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 ad professionals. The bill also does not restrict *where* government is allowed to advertise – agencies may still choose the media that best connects them with the audiences they want to reach – through newspapers, online-only news sites and broadcast stations. Importantly, the bill's provision for an independent third party to build and maintain a local news directory, makes it unlikely that government will be able to reward or punish news organizations with advertising dollars; it preserves the crucial firewall between advertising and news coverage. H244 simply requires 80% of total agency advertising budgets to be spent with Vermont local news outlets.

News organizations have already shown how innovative they are in adapting their business models to changing market forces. Mission-minded nonprofits and hyperlocal news websites have worked to fill historic gaps in news coverage as well as those left by receding legacy outlets. Public radio has dedicated itself to increasing its local reporting resources. Evidence of this innovation can be seen in towns and news organizations all over Vermont.

H244 would be a new and much needed source of support for Vermont local news outlets. The bill's government advertising set-aside fits squarely in both historic and contemporary trends. The United States offered early newspapers a postal subsidy in 1792, which discounted rates to send

their newspapers to early American citizens. Today that legacy continues with more than a dozen states – including Wisconsin, Massachusetts, New York, New Jersey, California and Washington – having either considered or passed legislation (from commissions, to tax credits, to grants, to fellowship programs) that would support local news.

This particular advertising set-aside approach is already showing substantial results for community and ethnic news outlets in New York City, where the City University of New York (CUNY) hired a coordinator who not only ensured local publishers were aware of the program, but created resources, like media kits, for small outlets, so they could participate in the program. CUNY also essentially checked the work of the mayor's office, where the program was housed, and made sure all qualifying news outlets were included in the government's implementation of the program. The university acted as a soft firewall, ensuring equitable implementation, checking the mayor's office's work and measuring the results. A similar strategy could be used in Vermont to ensure independence and fairness of the program.

H244 is a smart and tested approach to supporting Vermont's local news outlets that fits within historic and recent precedents. I urge the Committee to advance the bill, not just for the health of Vermont news outlets, but for the health of communities across Vermont.

Sincerely,

Lori Henson  
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