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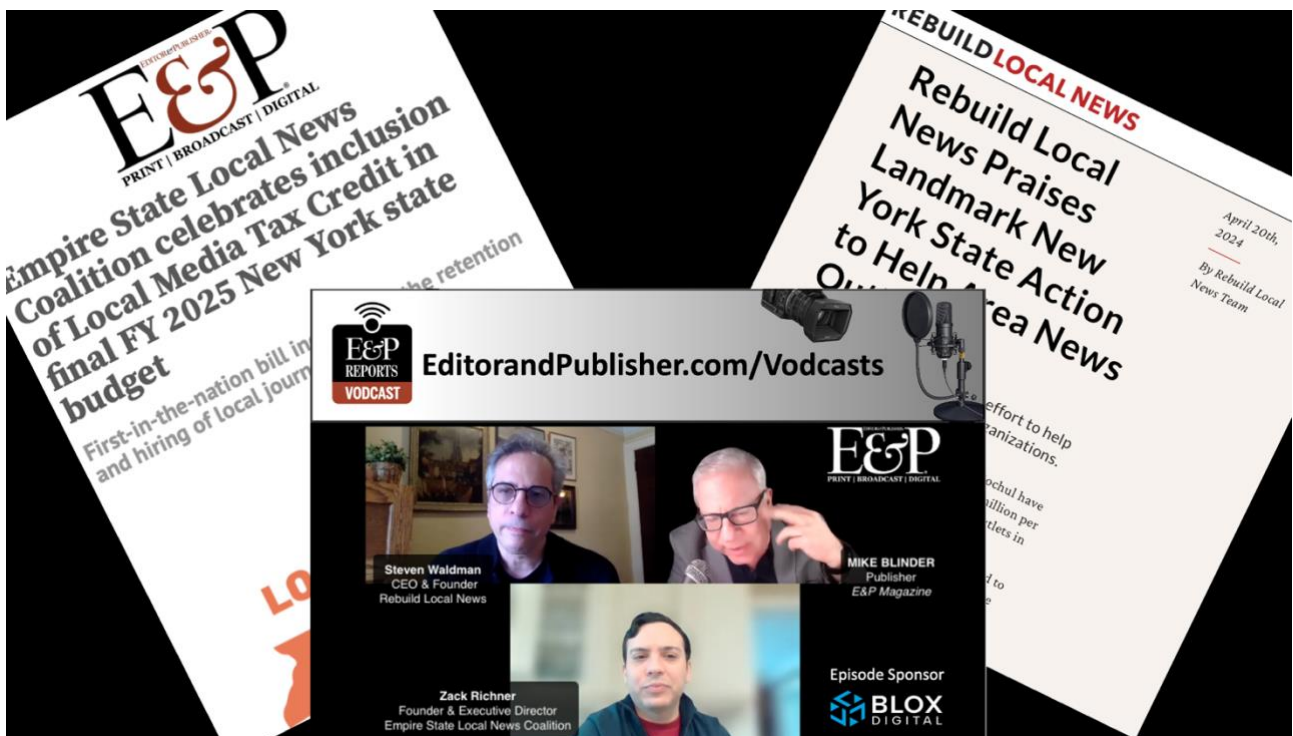
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Audio Transcript

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with Mike Blinder

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[New York State implements historic tax credits to support local journalism.](#)

In a groundbreaking move, New York State has adopted a budget that includes tax incentives aimed at bolstering local journalism. [The Empire State Local News Coalition](#) spearheaded this passage of \$90 million dollars in tax credits, marking a significant victory for the press and the communities they serve. E&P chats with New York state news publishing executive and coalition founder Zack Richner along with Rebuild local news founder Steven Waldman, about how this became law and what impact this may have nationwide to help support local journalism.



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0:00:03.9 Announcer: This is E&P Reports, a vodcast from editor and publisher magazine, the authoritative voice of news media since 1884, serving newspapers, broadcast, digital, and all forms of news publishing.

0:00:19.0 Mike Blinder: And warm greetings once again, Mike Blinder, publisher of E&P Magazine. As always, we urge you, if you're listening to this program on a podcast platform, to please follow and share it with others. If you're watching on our YouTube channel, there is a subscribe button below, a bell to the right. If you click those, you'll get an update each and every time we upload a new episode of this weekly vodcast series dedicated to the news publishing universe, E&P Reports. I have friends on the show and also people that have been on the program before. First, I want to say and welcome back Steven Waldman, CEO and founder of Rebuild Local News and co-founder and board member of Report for America. Steven, you've always been in the public eye with the industry. We appreciate your hard work and welcome back.

0:01:04.9 Steven Waldman: Great to be back. Thank you.

0:01:06.5 MB: Zack. I love the way you list yourself. Zachary Zack Richner. I don't say Michael Mike Blinder. I just put up Mike, but...

0:01:14.2 Zack Richner: Well, because the middle name can be spelled to as, not the middle name. The nickname can be spelled in a few ways. So Zack with a K.

0:01:21.5 MB: Okay. Got it. So Zachary Richner. And I know the family well, they were... I've got full disclosure. Richner Communications was a client of mine for almost a decade when I was in my consulting years out on Long Island and still a thriving news media company. You're a director there. You're also founding and managing partner of Arrandale Ventures. You're a founder and executive director of what we're gonna discuss today, Empire State Local News Coalition. You serve on the board for America's Newspapers. Am I missing anything there, Zack?

0:01:54.5 ZR: I think that's enough.

0:01:56.2 MB: That's enough. [chuckle] Big, big, huge news crossed my desk this morning as we did this, as we're doing this recording that I just couldn't believe. I actually had to call your PR firm, Zack, and make sure it was real because for years we have been looking for some form of government support for local journalism. And it's real, isn't it, Zack? It happened in New York State, the first state to actually offer tax incentives for those to craft local journalism. Am I correct, sir?

0:02:31.2 ZR: You are. And still pinching myself, because last night we got the finishing touches on a \$90 million tax credit to support local media. And that'll do wonders for local journalism throughout New York State. So we're very excited. We've had a great team, including Steve, and his team have been fantastic in helping to get this across the finish line. So a lot of people to thank, but for the time being, we're taking a day to celebrate and then back to work.



0:03:08.4 MB: [laughter] We're gonna unpack all of this and discuss how this is truly groundbreaking on the backside of this message.

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0:04:20.9 MB: All right. The first thing I want to do is define what the Empire State Local News Coalition is. Obviously, we reported on it back in February. Just in February, when it formed with, Zack, it was 100 papers to start, correct? 100, not just papers, but news publishers, I'd like to say. And then it kept growing and growing and growing, correct?

0:04:41.2 ZR: It did. And today we're over 200 newspapers, mostly newspapers, both in print and online. And we formed this back in February because we believe that there needed to be a concerted effort with lots of resources here in New York to get what at the time was called the Local Journalism Sustainability Act across the finish line. So we talked to colleagues in the industry, put this coalition together. We all pooled some money and were able to bring on a team of lobbyists and public affairs professionals who I think they're the best in the game. In Evan Rantzaklis at Brown & Weinraub and Lorena Moore at BerlinRosen and working with those professionals guiding us, 200 newspapers strong, we, I think, accomplished just something that's really unheard of, moving legislation that was at a standstill when we started in February to where it is today, which is in the fiscal year 25 budget.

0:05:52.8 MB: It's a two-year-old battle. Was it not in New York? And you just said, used to be called Local Journalism Sustainability Act. I thought that was still the name of the...

0:06:01.2 ZR: No, it's changed to be, Steve, correct me if I'm wrong. I think it's the Newspaper and Broadcast Media Economic Development Program or something along those lines.

0:06:12.1 MB: Steven give us the moniker. What is it called?

0:06:15.7 SW: It's [chuckle] I think something about media jobs. It's part of the... It's part of the budget now. So it's basically, section whatever, whatever, whatever of the budget.

0:06:25.0 MB: Let's define what this means. It was put through and signed by the governor officially on Friday. April 19th, you announced it on Saturday, April 20th, and just to date stamp this, the day of this recording. And it's a bill that basically says for three years, the state of New York will allocate \$30 million to help journalistic outlets receive credits against a salary that they pay to create journalism. Some money has also been put aside to help hire new journalists. But go

ahead and, Steven, do you want to do it? Give us the rundown of the particulars. Give us the bullets of what happened and what this is.

0:07:07.9 SW: Yeah, so this concept, this employment tax credit, we've always loved as the best approach 'cause it's tied to the core issue of jobs and reporters and the people in the field at these news organizations. So as you said, it's pegged to the number of employees in a particular news outlet. Now, this bill had a few twists on the theme, which are mostly really good. They're interesting. One is that there's a CAP of \$320,000 per newsroom. Another is that they essentially split the pool, most of the pool, between organizations that had fewer than 100 employees and organizations that had more than 100 employees. So I think that those two things combined are really good because it makes sure that smaller publications and medium-sized publications really get their fair share. And I would say is in some ways, tilted in the direction of making sure that those real community grounded ones are getting support. They also had a provision excluding publicly traded companies, which are sort of the biggest of the big ones, which I think fits in that same theme of wanting to sort of target it toward medium and small size players to as great extent possible.

0:08:28.9 MB: All right. So break it down. Okay, let me go back to Zack because you're an operator of a... You're a director of a local journalistic entity that serves millions of people on Long Island with multiple titles. And break it down to me, if you have a full-time journalist, I assume it means full-time, that you pay the first 50 grand is refundable out of their salary, 50% refundable out of their salary, and that could be up to three years.

0:09:00.8 ZR: Right.

0:09:00.9 MB: And that's it. You just simply put a tax credit in. So you now get a credit on your New York state taxes for that amount to make it easier for you to hire and maintain a newsroom. Do I have that right, Zack?

0:09:13.9 ZR: You do. And I think, Mike, something that you mentioned, which is not insignificant, is the refundability of this. And I think a lot of people that are not in the weeds on tax policy, which is probably most folks, don't know what the difference is between a refundable tax credit and a non-refundable tax credit. A refundable tax credit means that you can actually claim this benefit in excess of your tax liability. So that's really important for people like nonprofits that are tax exempt, or unfortunately, a lot of our colleagues in the news industry that aren't profitable. So if you're not profitable, you don't have a tax liability. So, this allows this benefit to be taken advantage of by all news organizations, whether you're for-profit, nonprofit, whether you're profitable or non-profitable.

0:10:09.6 MB: In other words, if you don't pay any New York state taxes, you're gonna get some money for up to \$300,000 if that's...

0:10:14.9 ZR: Right. You can think of it as good as cash.

0:10:19.9 MB: All right. So I'm now a New York resident. I'm not, but let's assume I am. And I'm paying my taxes to the state. And rather than get my road filled, I mean, I'm just, I'm gonna take the

devil's, part or help the inner city poor or get that airport. LaGuardia really sucks. Would you get the damn runways together? Whatever. Nah. Part of my tax money now up to \$90 million is in support of local journalism. The state of New York deems it that vital and necessary. How are you gonna sell that to the population? Or is it even needed in your opinion as a resident of New York?

0:10:54.7 SW: Well, so this is 30 million a year out of a \$237 billion state budget. And it really pays for itself, ultimately. Like the journalism that is done in the state, whether it's reducing corruption, improving bond ratings, saving money to consumers will way outstrip the cost of this to taxpayers. But, it really took some work on the part of Zack. And I have to say, like, Zack is a real hero here. I mean, this went from nothing to, in the course of, a couple of months being taken seriously because of Zack's work and the work of his coalition. And, it took educating the lawmakers. I have one criticism of the bill, which is I don't like the new name.

[chuckle]

0:11:46.7 MB: Well...

0:11:46.8 SW: It's 'cause it's not actually about media jobs. It's about the health of communities. It's about how, the communities need information.

0:11:54.2 MB: Next question. I mean, I'll throw this at Zack, but Steve, I know you'll jump in. [chuckle] Rep. Claudia Tenney, does that mean anything to you there, Zack? Do you know who that is?

0:12:04.1 ZR: Yes, of course. So...

0:12:06.2 MB: She's now... Let me just give the background on this.

0:12:08.1 ZR: Yeah, sure.

0:12:08.2 MB: She's now she's now trying to get legislation through, and I'm putting words in this and putting my spin on this, to stop funding that woke NPR that's going through that controversy where they had someone who outed them with an editorial, what have you, whatever you call it, and was laid off and he quit and all that. And we'll put a link to that story. But she is now unfunding or trying to unfund. Do you see us not being a free and unfettered press through something like this because some base in your state, in your local government may start saying, "Well, I'm taking that money away unless they stop doing this". Take it away, Zack.

0:12:46.6 ZR: Sure. So, Congresswoman Tenney has been a huge supporter of our work and of the free press with supporting the Community News and Small Business Support Act that I know that, Mike, you've discussed a lot. I think that, it's always a slippery slope when you start to make judgments about the kind of the content or the ideological nature of various content. So, I think we definitely have to be careful with that. But I would just say that Congresswoman Tenney has certainly shown in the legislation she supported that she does care very much about...

0:13:43.7 MB: Well, I didn't mean to single her out. It was just because it was so current. Yep. If



you follow what I'm saying, that, okay, let me swing this over to Steve. I know you're not a constitutional scholar. Maybe you are for all I know, Steven. [chuckle] But we're supposed to be a free and unfettered press where we're not influenced at all in any way, shape, or form, or size by the government who we're supposed to be a watchdog on, correct? That final check on power, Madison and democracy, what have you. Does this get us into that space there, Steven, a little in your opinion? Are we still free and unfettered?

0:14:16.1 SW: I think it really depends how you do the policy. The particulars matter a lot. If you create policy where it gives government officials discretionary judgments over who to reward and who to punish based on what they like or don't like, that's terrible. And yeah, that can be used to manipulate newsrooms. Part of why we like tax policy, frankly, and these sort of broad-based tax credits is it's much harder to do it in cases like that. You do have a general thing where you're appealing to the government for help. That's true. But I would be really surprised if any newsroom or state government reporters, pull their punches that they were gonna do about Governor Hochul or any legislator or whatever as a result of this policy. It's possible, but we certainly would urge everyone to just keep going about doing the business the way you would want. The other thing I would say, is what I say to folks that are trying to rely heavily on philanthropy is, dependence on any one revenue stream is gonna get you in trouble. If you are getting half your revenue from the local car dealers, you're not gonna be able to write honest articles about the car dealers. If you're getting half your money from the government, you're gonna start to, maybe pull your punches or something like that. So the most, the best safeguard is, first of all, design the policies well, put in firewalls. Secondly, have diverse revenue streams.

0:15:47.5 MB: Got it. So let me take to, let me go back to Zack. We're getting near the end of our journey because I try to keep these on the 20 minute zone. Zack, why a coalition? I mean, there are state press associations, too, in New York that I believe have lobbyists in place. You mentioned that the real membership you have is mostly print. So broadcast didn't have a big member part of your coalition. Why a coalition? Is that so? I mean, I got to get your honest impression. Why did you say we got to do this this way rather than just support your local state association that has lobbyists already working in Albany?

0:16:26.8 ZR: Mike, I think it's a great question. And the press associations that exist, they do tremendous work across a lot of areas. But at the end of the day, to move this specific policy as quickly as it needed to, which was February to April 1st, that was the original deadline of the budget. It needed to be a full time job. And the existing groups that were out there didn't necessarily have the resources to do that. And, like this coming weekend, I'm heading up to Saratoga Springs for the NYPA, New York Press Association conference. They're busy planning that. So it's almost impossible to devote 100% of your attention to legislative causes when you have so many other necessary and fantastic things that you're doing. So that's how this coalition came to be.

0:17:28.7 SW: There's one other thing I'd add to that, Mike, is that...

0:17:31.1 MB: Okay.

0:17:31.5 SW: The breadth of the coalition was really impressive. Like, it wasn't just newspapers. We had a lot of the Rebuild Local News Coalition members in New York State who were working



with the coalition, and that includes ethnic newspapers, Black News, Amsterdam News was super involved.

0:17:48.1 MB: Sure.

0:17:48.4 SW: Radio, digital-only websites. It was a really broad group. And I think that's part of why it got the attention of the legislators.

0:18:00.2 MB: So what's next, Steven? I mean, this is the final question, I wanna... In California, Illinois, and will you be suggesting that coalitions be built there? I mean, what are you talking... What's your main take away?

0:18:10.1 SW: Well, first thing Monday...

0:18:12.3 MB: Go ahead.

0:18:12.6 SW: First thing Monday morning, I start going around the country by email, telling them about what's happened in New York. I really am hoping that this lights a match and becomes a model for other states. California and Illinois are already considering things like this. And it would not at all surprise me if this generated interest in other states.

0:18:35.1 ZR: Yep. And...

0:18:35.8 MB: Are you... Go ahead, Zack.

0:18:39.1 ZR: Mike, I did want to just mention something that was also so important to getting this passed. And that was the amazing dedication from all of our elected officials, but some in particular. So Brad Hoylman, who was the original sponsor of this bill, I mean, that guy did unbelievable work of resurrecting this bill numerous times over the last, probably several months, but in particular over the last week. So huge thank you to Senator Hoylman, the governor, of course, was on board. Without her willingness to do something here, this would have been dead in the water, and organized labor. They've been a huge supporter of this, the CWA, the AFL-CIO. So just so many people that have been committed to this. And we know that it's not perfect at the moment and that we're gonna continue to craft it. And at the end of the day, it probably still won't be perfect. But we have, in my opinion, really moved the needle when it comes to the viability of local news for the next, well, for the foreseeable future.

0:19:55.7 SW: This is a real breakthrough on this issue.

0:20:00.8 MB: This is a breakthrough, no, this is groundbreaking. I am, but personally, I could not applaud you more, both you gentlemen, because I'm an opinion is, ship it, then fix it. Get it through, fight for it, and then it will shake out. No legislation on any level, whether it's state, county or federal is perfect, right? That's the beauty of our democracy. But you fix it as it goes. But this is the beginning in hopes of not everything that will solve our problems. Now I'm pontificating. It'll be that other leg on the stool. Don't you agree, Steve? Every leg counts in helping us have a sustainable local journalism business model. And this will help, in my humble opinion, greatly. So, yeah.



0:20:46.3 SW: Absolutely. I really do think this is a historic moment because it shows that we all believe, first of all, that the local news crisis is not just a crisis about jobs or people, new reporters losing jobs or something like that. It is actually a crisis for communities and for democracy. And so, it's not just a special interest thing. It's something that everyone really does need to care about the way they care about other civic institutions in their community, the libraries and schools and things like that. That's a real mind shift. Like it used to just be a business over there on the side that we didn't have to worry about. So I think that, the implicit and the fact that public policy is now a piece of the puzzle is a mind shift that we as Americans have realized that local news is important to the health of our communities and democracy.

0:21:38.9 ZR: And that's on both sides of the aisle. Like, I mean, red districts, blue districts.

0:21:43.2 MB: Sure.

0:21:44.1 ZR: Here in New York, if you look at the co-sponsors on the federal bill, you have some of the people furthest to the left, people furthest to the right that love their local newspaper, love their local TV station because they understand just how important it is to their community. And unlike national media, it's not partisan. Like everybody can rally around, the high school soccer team or the church bake sale. So these are...

0:22:08.6 SW: Or complaining about the mayor.

0:22:10.1 ZR: Right. Exactly. These are the institutions that are, I think, if we're gonna heal some of the divides in our country, it's going to start with our local institutions like local newspapers and broadcast.

0:22:22.3 MB: Formerly known [chuckle] as the Local Journalism Sustainability Act in the state of New York, now known simply as a Local Media Tax Credit in the final fiscal budget for 2025. It's reality and it's happening and it's definitely the beginning, I believe, and obviously our panel believes, are some really strong commitment on part of our system in supporting local journalism. Zack Richner, thank you for your hard work, your energy. Keep up the fight. Steven Waldman, thank you for your insights and how you kind of keep your hand on the tiller across the country and how you keep spreading the word and finding the best practices to spread around. You gentlemen did a great job. And also thank both of you for coming in on a weekend to do this important interview. We appreciate you.

0:23:15.7 ZR: Thank you, Mike.

0:23:16.3 SW: Thank you so much.

[music]