

Government Administration and Elections Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6347

AN ACT CONCERNING THE PURCHASE OF PRINT AND DIGITAL

Title: ADVERTISING BY THE STATE.

Vote Date: 03/27/2023

Vote Action: Joint Favorable Substitute

PH Date: 3/20/2023

File No.:

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SPONSORS OF BILL:

Government Administration and Elections Committee

REASONS FOR BILL:

The bill aims to increase the number of state contracts awarded to resident bidders for purchasing print and digital advertising services by implementing an in-state contract preference program. The Commissioner of Administrative Services is required to develop and implement this program by January 1, 2024 and ensure that at least 50% of the total annual value of these contracts is awarded to media outlets owned by in-state entities or nonprofit entities. The purpose of the bill is to promote and support local businesses and organizations while ensuring fairness in the bidding process. This act will take effect on October 1, 2023.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Department of Administrative Services, State of Connecticut:](#)

"The Department of Administrative Services (DAS) supports the intent of HB 6347 to award more state contracts for print and digital advertising to Connecticut based media outlets and nonprofit entities but has some concerns about the bill as it is currently drafted. As background, the current DAS contract for print and digital advertising already meets the goals of this legislation and advances the interests of Connecticut-based businesses as it calls for 25% small business entity (SBE) suppliers, and the SBE program requires contractors to have their principal place of business in Connecticut. The contract also currently meets the 50% spend threshold with Connecticut based businesses. More information on the Supplier Diversity Program and how to become a certified SBE/MBE is available on the DAS website here. We are pleased to continue the conversation around this topic with the proponents of the bill and other stakeholders throughout the legislative session."

Representative Kate Farrar, 20th District, Connecticut General Assembly: Supports this bill

" I proposed House Bill 6347 because a free and independent press is a cornerstone of our democracy, and we continue to lose local press in our Connecticut communities. The press holds us accountable as public officials, informs citizens about important issues, and provides a platform for diverse voices. House Bill 6347 proposes a percentage of our state's advertising dollars to be spent with non-profit and locally owned news sources. Instead of 50% of Department of Administrative Services contracts, the bill should be written for 50% of our state agencies advertising budgets to be spent with non-profit and locally owned news sources. House Bill 6347 can support the viability of local news which is critical to informing citizens about important issues. It would promote diversity in the media landscape by providing support to smaller news organizations that may have a harder time competing with larger, more established outlets. Finally, it would help ensure that our state government is investing in advertising that supports the public good."

NATURE AND SOURCES OF SUPPORT:

Anne Karolyi, Managing Editor, Republican-American publication:

Anne makes many comments in her written testimony regarding the continued struggle local media has had financially and how it has impacted the quality of news the Connecticut residents receive. She states, "This proposal, to require the state to spend a portion of advertising dollars in locally owned news organizations, could bring badly needed revenue to the table. That could mean raises for talented, longtime reporters who otherwise might leave the industry only because they seek more money for their families; it could mean more reporters for new audiences, such as for beats focused on people of color or other groups seeing less coverage, or the restoration of beats such as business and economic development, a reporting specialty most papers in the state have let fall to publications with targeted and smaller audiences, such as the Hartford and New Haven Business Journals."

Bill Bittar, Editor and Founder, The Monroe Sun:

"Passage of this bill would create a winning scenario for all involved. The state would be better able to reach its citizens while still having the freedom to advertise with other out-of-state-owned or national outlets, communities would be better reached with state advertising and vital local news outlets like ours would be able to better serve our community."

Anna Brugmann, Director of Policy, Rebuild Local News:

"HB 6347 would strengthen Connecticut's state-owned local news outlets. The policy 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 Jersey, California and Washington — having either considered or passed legislation (from commissions, to tax credits, to grants, to fellowship programs) that would support local press. HB 6347 is a smart and tested approach to supporting Connecticut's local news outlets that fits within both federal and state precedents. I urge the Committee on Government Administration and Elections to submit a favorable

report, not just for the health of Connecticut news outlets, but for the health of communities across Connecticut."

Rima Dael, General Manager, WSHU Public Radio in Fairfield, CT:

" Additional underwriting funds from the state would allow us to maintain our reporting staff at its current level despite increasing costs of producing news and provide them with the tools they need to do their jobs. This would include recurring charges for tools such as Adobe Audition for audio editing and production and Otter for transcription of hearings and press conferences. We are also prioritizing deepening our work with local communities of color to prepare for election coverage in 2024 and combatting misinformation in our communities to ensure a better-informed public. This bill would create a winning scenario for all involved. The nonprofit local news network provides a safety net of information for our neighbors across CT. The state would be better able to reach its citizens while still having the freedom to advertise with other out of state owned or national outlets, communities would be better reached with state advertising and vital local news outlets like ours would be able to better serve our community."

Lynne DeLucia, Co-Founder and Editor, Connecticut Health I-Team:

" This bill would provide a much-needed revenue stream to nonprofits, especially small entities, that work tirelessly each day to provide Connecticut readers with local news and raise funds to keep their websites viable."

Doug Hardy, Partner and Co-Publisher, CTNewsJunkie.com:

" The government spends a great deal of money on advertising, and keeping as much of that money as possible in Connecticut is a laudable goal. For us at CTNewsJunkie and other responsible, locally-owned-and-operated news organizations, additional advertising revenue is crucial. Journalism organizations are faced with continual downward pressure on advertising rates because of huge programmatic platforms such as Google Ads, Facebook, and others. Ad dollars spent on those platforms are leaving Connecticut forever and those platforms don't pay publishers enough to grow even a small news business."

Bernard Kavalier, Managing Editor, Connecticut by the Numbers:

" Passage of the legislation would put Connecticut-owned media outlets on the field of play for an appropriate share of the allocation of advertising dollars – a role that, in my view, these media outlets have earned and deserve, as local businesses that by and large are Connecticut-centric, provide a valuable – and arguably essential – role in providing and enhancing awareness of matters of public interest, and that in many cases are deeply involved in, and strongly connected to, local communities."

Jim Mizener, VP of Advertising, RJ Media Group in Meriden:

"Directing state advertising dollars to a 156-year-old CT family owned media company that has significant local and regional reach within CT would help support sustainability of trusted, local journalism in CT that our communities want and need. The funds would be used to

continue to employ our talented journalists producing this high quality trusted, local news coverage."

Ronni Newton, Managing Editor, One of four owners of We-Ha.com:

" Our publication is completely supported by advertising revenue, and the opportunity to expand that revenue via government advertising dollars would allow us to expand our coverage both in terms of the number of stories as well as allowing us to do more in-depth features by providing funding to hire freelancers beyond the one part-time sportswriter we currently engage on a freelance basis. We would have the resources so that we could be proactive in covering topical stories – such as the recovery of arts organizations in town post-pandemic and the proliferation of panhandlers – without sacrificing coverage of other ongoing news."

Bruce Putterman, Publisher, The Connecticut Mirror:

" As you know, state government already funds local journalism through awareness advertising, public notices, and other marketing campaigns... and federal taxpayers already fund public media like NPR. HB 6347 isn't about WHETHER government should fund local journalism. It's about the allocation of state funding that strikes the best balance between meeting the state's communications objectives and supporting the full range of flavors of local journalism." See written testimony for several observations Mr. Putterman lists that pertain to the support of this bill.

Claire Schoen, Board Member, Nancy on Norwalk:

Claire discusses in her written testimony the challenges that "Nancy on Norwalk" deals with regarding expenses and funding and how this bill will help their organization continue to bring valuable news to Connecticut residents. See her written testimony for details regarding that as well as additional opinions and observations about the current situation for many local media organizations.

Dr. Bilal Dabir Sekou, Associate Professor of Political Science at the University of Hartford, and Chair of the Board of Directors for The Connecticut Mirror:

Dr. Sekou states, " Beginning in the 1990s, many newspapers began to lose their profitability, and since then, the newspaper business has been in severe decline. Many newspapers either folded or switched to an internet-only delivery system to survive. The loss of local media across the country is making government less transparent and leaving many Americans woefully uninformed. School board, city council, and boards and commissions meetings are going uncovered. Overstretched reporters working to meet deadlines have little time to do deep investigative journalism. Newspapers have become thin and publish irregularly." Dr. Sekou's written testimony has additional personal points of view noted in his written testimony that offer support for this bill.

Doug Weber, Publisher, Westport Journal:

" Westport Journal is owned and run by Bridge Street Media, an LLC based in Connecticut. Each of the editorial staff members and all of the contributors live and work in Connecticut. With advertising from the state, Westport Journal would be able to provide readers with more

coverage of Connecticut cultural events and happenings, driving up interest in Connecticut's cultural institutions and helping them thrive with more visitors, patrons and supporters."

Eliot White, President, Family owner at Record-Journal Media Group in Meriden:

" Local journalism in CT is in danger. Out of 16 Connecticut daily newspapers our company is one of only three that is Connecticut-based privately owned. On March 7, we transitioned from a daily newspaper to a five-day-a-week newspaper and transitioned from carrier delivery to delivery by mail. These changes help the company realize significant cost savings, which is necessary for our long-term sustainability. HB 6347 will further support us in providing local journalism to our community, help our long-term sustainability and family ownership, while also helping the state achieve its marketing goals. This is also cost neutral to the state and will ensure at least 50% of the spending will remain local."

Liz White, Publisher, Executive Vice President, Family owner at Record-Journal Media Group in Meriden:

"If state advertising dollars go to our 156-year-old CT family-owned media company that has significant local and regional reach within CT, it would help support sustainability of trusted, local journalism in CT that our communities want and need. The funds would be used to continue to employ our talented journalists producing this high quality trusted, local news coverage. All while being cost neutral to the state."

The following individuals submitted testimony in support of HB-6347. They cited reasons similar to those stated in the aforementioned testimonies:

Robert A. Giolitto	Mary Adrigo Rysz	Jo Bennett
Debra Bennetts	Peter DiSalvo	Rachel Haddon
Lynelle Jones	Pamela Klem	Paul Lanning
John Miller Jr.	Barbara Mitchell	Caroline Myers
Mary Noonan	Elsa Obuchowski	Carol Reimers
Barry Wanokian	April Wennerstrom	Todd Alley
Anonymous (1)		

NATURE AND SOURCES OF OPPOSITION:

Linda Dalessio:

Linda states, " OPPOSE HB 6347 Take out NGO's and Non-profits."

Anonymous, Citizen of Norwalk CT:

Anonymous from Norwalk states, " I strongly oppose HB6347. The State of CT should not be financing highly polarized media such as Nancy on Norwalk et al. Many of these types of single owner media outlets suppress any publication of news and views that do not reflect the individual media owner's perspective. In addition, the media owners also suppress publishing any feedback received from readers on that has not been censored by them. As a CT resident and taxpayer, I cannot see where the state should be financing any of these narrow thought-controlled media that obviously do not serve the State population at large."

Anonymous, Concerned citizen:

Anonymous, concerned citizen states, " I oppose all these bills because they are all bad. The election was fraudulent, and we the people of CT are NOT being represented by our "elected" officials. We live in a banana republic and in a communist state that's run by a corrupt supermajority who doesn't care about its constituents or their rights."

Anonymous:

Anonymous states, " I oppose these bills. It's nonsense and need to back to common sense!!

Reported by: Robert Mayne

Date: 03-27-2023