



## **Proposal for the New Jersey Civic Information Consortium**

**Prepared by Free Press Action Fund**

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When it comes to news coverage and civic information, New Jersey is one of the most underserved states. Set to receive \$332 million through the sale of its public-broadcasting licenses, New Jersey has a once-in-a-lifetime opportunity to better inform its communities.

Free Press Action Fund proposes allocating a significant portion of these funds to a newly created New Jersey Civic Information Consortium, to support news and information that benefits the state's civic life and meet the evolving information needs of New Jersey's underserved communities. By leveraging the resources, knowledge, and expertise of the state's research universities — working in partnership with Montclair State University, the New Jersey Institute of Technology, Rowan University and Rutgers University — the Consortium could help bolster public-interest journalism, civic information, and media innovation for decades to come.

New Jersey residents lose out when they can't get information about their communities. And the state's civic information ecosystem is at a critical juncture. Valuable legacy operations have endured major cutbacks, and some are on the verge of collapse. It's also a moment when some promising local experiments might crash or soar. In either context, investments from the New Jersey Civic Information Consortium, supporting some of the state's brightest minds in academia, media, innovation, and community service, could be the difference between success and failure.

This proposal spells out how the New Jersey Civic Information Consortium could advance these goals while ensuring financial sustainability, accountability, and lasting public faith in both the organization and the work it supports.

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## **Mission and Goals**

The New Jersey Civic Information Consortium (NJCIC) would be a joint initiative of the state's leading universities designed to advance research and innovation in the field of media and technology to benefit the state's civic life and evolving information needs.

Working in collaboration with universities, the media industry, technology sector, and community organizations, NJCIC will issue grants focusing in key areas of information needs: local news innovation and sustainability, community and civic engagement, public interest journalism, civic technology, and research within the communications and media field.

NJCIC would provide grants for collaborative community projects to achieve the following goals:

- Improve the quantity and quality of civic information in New Jersey communities.
- Give residents enhanced access to useful government data and public information through innovative applications, platforms and technologies.
- Train students, professionals, and community members in the practice of community storytelling, journalism, and media production.
- Nurture better civic engagement and dialogue inside and between New Jersey communities.
- Better meet the information needs of low-income communities and communities of color that have been underserved by the media.
- Invest in research and practices that can help media outlets become more closely connected to their audiences and more sustainable without government support.

## **Funding**

NJCIC's initial funding would come from a one-time payment out of the \$332 million received from the sale of WNJN in Montclair and WNJT in Trenton in the Federal Communications Commission's broadcast-incentive auction.

This windfall would present a 21st-century opportunity to further the important goals public television was set up to serve in last century. It is only right that a portion of the proceeds be reserved to meet and advance the same purposes that the public TV licenses were originally granted to serve, in updated and innovative ways.

We believe an initial endowment of \$100 million from the auction proceeds would best position the NJCIC to support and sustain innovative and transformative projects with long-lasting benefits for the citizens and communities of New Jersey.

There are numerous options for distributing this endowment, depending on its size and payout rates, including the three examples below:

**Option 1:** The consortium could spend a conservative payout of 5 percent each year. Given a \$100 million endowment, we estimate the consortium would pay out \$5.3 million in the first year and distribute more than \$54 million over the course of 10 years, while growing the initial endowment to just over \$107 million to support future investments (see Table 1).

**Option 2:** The consortium could choose a more aggressive payout rate of, say, 20 percent each year. Given a \$100 million endowment, we estimate the consortium would pay out more than \$21 million in the first year, distribute nearly \$113 million over the course of 10 years, and still be left with \$19 million assuming no supplemental external funding (see Table 3).

**Option 3:** The consortium commits to spend the entire endowment over the course of 10 years. Given a \$100 million endowment, we estimate the consortium would pay out approximately \$13.6 million each year, resulting in a total distribution of almost \$136 million. The initial endowment would shrink to less than one hundred thousand dollars without supplemental funding (see Table 4).

See Appendix for yearly financial models with a variety of payout rates.

In order to ensure parity, the NJCIC would earmark at least 15 percent of annual grantmaking for projects involving each of partner universities (or 60 percent of the total spending). However, it is important to recognize that projects have different costs, so the remaining 40 percent is set aside for any proposed project and awarded based on the strength and specifications of individual projects.

## **Legal structure**

The Consortium would be a 501(c)(3) nonprofit organization, structured as a supporting organization to its member universities, Montclair State University, the New Jersey Institute of Technology, Rowan University, and Rutgers University.

Setting up the Consortium as a 501(c)(3) organization would bring many benefits, most importantly by eliminating reliance on the state for long-term funding. It is critical that the consortium will be eligible to accept outside funding and donations; this structure would give it the best chance to be sustainable and successful over the long term.

While there several ways to establish the Consortium that could be used in perpetuity to benefit the state's residents, we believe that it makes most sense to establish a public charity, rather than a private foundation, to administer the funding. Designation as a public charity would maximize financial sustainability, allow for and even encourage additional public donations, and institutionalize the accountability, transparency and governance we hope to establish.

Nonprofit organizations are a common and widely accepted legal structure for university consortium arrangements across the country.<sup>1</sup> If the consortium were structured as a supporting organization to its member universities, the Internal Revenue Service would regard it as a public charity, a status that provides financial flexibility in terms of payout and additional revenue.

With this structure, the Consortium may make matching grant agreements with foundations within the media philanthropy sphere, such as the Geraldine R. Dodge Foundation, the Knight Foundation, Democracy Fund, and the Ford Foundation, or from technology companies or corporate foundations. The state could also make supplemental contributions or appropriations to the fund.

## **Leadership and staff**

Civic, academic, media, technology, and community leaders would make up the governing board of the New Jersey Civic Information Consortium, responsible for ensuring its overall fiscal and operational success. The board of directors will set strategic priorities to guide the consortium's grant-making and initiatives, as well as approve grants. The board will also set success metrics and ensure annual reporting to the public, state legislature and governor on how well those metrics are being met.

The makeup of the NJCIC board of directors would be as follows:

- Two seats appointed by the sitting New Jersey governor
- Two seats appointed by the Legislature, one from the Assembly and one from the Senate
- Four seats allocated for one representative from each university within the consortium
- One seat allocated for a representative from NJ media sector
- One seat allocated for a representative from NJ technology sector
- One seat allocated for a representative from NJ nonprofit sector
- Two seats allocated for at-large community representatives

The state-appointed seats on the board would be up for re-nomination every four years, and could serve no longer than two, four-year terms on board. Representatives from the media, technology, and nonprofit sectors would be selected with two-thirds approval of the board. These representatives would also serve a maximum of two, four-year terms, with empty seats to be filled by two-thirds vote of the current board. Terms would be staggered: the initial media representative will require re-election after one year; the initial technology representative will require re-election after two years; the initial nonprofit representative will require re-election after three years. At-large community representatives would serve a maximum of two, four-year terms, with empty seats to be filled by two-thirds vote of the current board.

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<sup>1</sup> For example, the Consortium of Universities for the Advancement of Hydrologic Science (CUAHSI) receives significant support from both NSF and membership dues collected from both consortium members and corporate partners. The Consortium for Graduate Study in Management (CGSM) accepts operational support from corporate partners and individual donors, while relying on member schools to fund the fellowship grants it offers. Both of these consortiums represent partnerships between universities across the United States.

The board would strive for diversity and balance of representation according to gender, race, ethnicity, and geography.

With sustainability and other criteria in mind, the board would appoint an executive director. The executive director will oversee the consortium's day-to-day operation, which includes working with the board to meet the NJCIC's goals and grant-making requirements, hiring and managing a small staff, acting as spokesperson for the Consortium's work, and raising funds from external sources.

It is necessary to have some professional staff, hired by the executive director, in place to carry out the fund's activities and coordinate among universities, but we also recognize the importance of ensuring that most of the money endowed to the fund go toward projects and community information needs.

Program officers will be limited in number (three maximum), but will be experienced practitioners with a strong understanding of the media or civic technology fields and representing the state's racial, ethnic, gender and geographic diversity. The program officers will primarily manage the grantmaking process, in accordance with the Consortium's goals. This includes soliciting, recommending, and processing proposals, working with grantees to ensure work with grantees on project ideas, and heading up public-engagement and evaluation efforts.

Administrative staff (three maximum) will provide operational support for the Consortium, including office management, support for executive director and program officers, coordination among universities, payment to grantees, human resources, and logistics.

To save on startup, overhead, and ongoing administrative costs, one university will be responsible for housing the Consortium and providing back-office support.

## **Focus and role of universities**

The Consortium would be a collaborative effort among four of the state's top public research universities: Montclair State University, the New Jersey Institute of Technology, Rowan University, and Rutgers University. Each institution would focus its initiatives on one area of expertise. Setting up the Consortium in such a manner would allow for greater collaboration among universities, decreases competition for grants, and reduces redundancy of efforts. In addition, universities may collaborate on projects together, as well as seek out other academic institutions to partner on grants.

Partner universities would agree upon their university's focus. As an example, Rutgers could focus on media research, communication technology, and social justice journalism; Montclair on local news innovation, collaborative reporting, and media sustainability; NJIT on developing civic technology and platforms; and Rowan on data journalism and civic engagement.

To be eligible for a NJCIC grant, proposals would need to include a collaboration between at least one member of the university faculty or graduate student and at least one local community organization, media organization, or the technology sector. For instance, partners that universities could work with include legacy media outlets (New Jersey Advance Media, Gannett), public media (NJTV, WBGO, WNYC, WHYY), small news organizations (*NJ Spotlight*, *New Brunswick Today*, *Paterson Press*), community-based institutions and organizations (hospitals, youth groups, schools, libraries), and representatives from the technology sector (NJ Tech Council, Code for America).

In order to receive funds from the Consortium, an application would need to demonstrate that the collaboration would be a mutually respectful partnership wherein all community and university participants invest in a project designed to serve the Consortium's mission and goals.

The university-community collaboration model has been successful in both New Jersey and elsewhere around the country. For instance, the Rutgers Community-University Research Partnership Grants for New Brunswick has created successful partnerships with local organizations such as the public library, historical society, high schools, and labor groups for research grants.

For NJCIC, we see great potential for collaborative projects among universities, media outlets, community groups, and the technology sector. Some ideas could include:

- Creating small digital newsrooms within partner universities, staffed by student and professional journalists, to cover surrounding underserved communities
- Hosting journalism and media business trainings with representatives from communities to build new media projects that serve their communities
- Launching open data portals for local municipalities, giving residents greater access to information about their local government and community
- Initiating an "AmeriCorps for Journalists" by creating fellowships for a diverse cohort of young journalists, who would commit for at least two years to covering local news in areas now underserved by media, working in concert with established news organizations
- Setting up a New Jersey Right to Know Institute, tapping into the time and expertise of seasoned journalists, academics, and media law attorneys to help New Jersey residents gain access to key information about how their government is functioning
- Creating a digital reporting team to track progress and milestones on all laws approved by Trenton to check on how new laws are enforced, or how well they accomplish their goals
- Developing applications that bring information out of academia and into the hands of community members (for instance, providing information for regulating health-related behaviors of populations at risk (e.g., mental illness; diabetics; eating disorders))
- Pairing art and photography with big data to map and explore social justice issues in New Jersey's communities (such as food insecurity or poverty)

## Accountability

The Consortium's mission would require its activities be accountable to the public and the state.

While NJCIC would work in cooperation with its partner universities, it would still technically be a separate legal entity. The Consortium's finances would be subject to the same disclosure laws of any nonprofit organization, such as making public its IRS form 990s and audited financial reports. In addition, the Consortium could make accessible its grantmaking criteria, list of applicants, all grant applications, financial and personal relationships of its leadership, and other relevant documents.

Expectations between the Consortium and its grantees would be made clear and transparent in the grant agreement, which would explicitly lay out the grantees' independence, both from the influence of the state or other participating universities, or from any other funder. Likewise, anyone donating money to the fund would acknowledge in writing the understanding that their donation does not entitle them to dictate or influence the content of any work the Consortium's grantees produce.

The board, in conjunction with the program staff, would set the exact metrics for assessing each project's individual success at meeting one or several of these goals, and issue a yearly progress report to the legislature and governor about the impact of all funded projects. Evaluation of civic information projects and their impact would ensure the Consortium's assets are well spent.

These metrics would seek to assess whether the project resulted in:

- an increase in New Jersey-focused civic information coverage,
- an increase in collaborative reporting projects across platforms,
- an increase in the availability of journalism and media production training,
- improved civic engagement and dialogue, and
- an increase in community participation in New Jersey.

Some examples of potential projects and their metrics for evaluation include:

**PROJECT:** Creating a small digital newsroom within a partner university, staffed by student and professional journalists, to cover surrounding underserved communities.

**METRICS:** Number of student and professional journalism staff, website analytics showing reach of news content, notable stories uncovered by traditional outlets.

**PROJECT:** Launching an open data portal for municipalities, giving residents greater access to information about their local government and community

**METRICS:** Portal launch date, website analytics showing community accessing the portal, notable stories using open data from portal

**PROJECT:** Creating fellowships for a diverse cohort of young journalists, who commit to cover local news in underserved areas for two years, working in concert with established news organizations

**METRICS:** Number of journalists granted fellowships, demographics of fellows, placement at notable papers, notable stories produced by fellows

Evaluation is a key tool for public accountability. Besides an evaluation of the organization's overall impact and its financial stewardship, evaluation of civic information projects and their impact would ensure the Consortium's assets are well spent.

The Consortium would also be required to host a minimum of three public forums annually, in varied regions within the state, to both report to the public how their money is being spent, and also to gather public input in a meaningful way to enhance the Consortium's mission. This would allow its leadership to hear directly from communities about their civic information needs and incorporate that feedback into its grant making.

Gathering public input in a meaningful way would enhance the Consortium's mission by allowing its leadership to hear directly from communities about their civic information needs. Public forums that use deliberative-dialogue techniques would provide the Consortium with valuable input on civic information needs and public priorities. Giving the public a voice in the fund's grantmaking priorities before a request for proposals (RFP) is issued could help generate public faith and trust as well as contribute to a better understanding of the needs of underserved communities.



## Appendix

**Table 1: Financial model for a \$100 million endowment  
spent at a steady rate of 5%**

	Initial Endowment	\$100,000,000
	Annual Return	6%
	Fund Disbursements	5%
Year (end of 12 month period)	Endowment Balance	Annual Disbursement
1	\$100,700,000	\$5,300,000
2	\$101,404,900	\$5,337,100
3	\$102,114,734	\$5,374,460
4	\$102,829,537	\$5,412,081
5	\$103,549,344	\$5,449,965
6	\$104,274,190	\$5,488,115
7	\$105,004,109	\$5,526,532
8	\$105,739,138	\$5,565,218
9	\$106,479,312	\$5,604,174
10	\$107,224,667	\$5,643,404
<b>Total over 10 years</b>		<b>\$54,701,049</b>

**Table 2: Financial model for a \$100 million endowment  
spent at a steady rate of 15%**

	Initial Endowment	\$100,000,000
	Annual Return	6%
	Fund Disbursements	15%
Year (end of 12 month period)	Endowment Balance	Annual Disbursement
1	\$90,100,000	\$15,900,000
2	\$81,180,100	\$14,325,900
3	\$73,143,270	\$12,907,636
4	\$65,902,086	\$11,629,780
5	\$59,377,780	\$10,478,432
6	\$53,499,380	\$9,441,067
7	\$48,202,941	\$8,506,401
8	\$43,430,850	\$7,664,268
9	\$39,131,196	\$6,905,505
10	\$35,257,207	\$6,221,860
<b>Total over 10 years</b>		<b>\$103,980,849</b>

**Table 3: Financial model for a \$100 million endowment  
spent at a steady rate of 20%**

	Initial Endowment	\$100,000,000
	Annual Return	6%
	Fund Disbursements	20%
Year (end of 12 month period)	Endowment Balance	Annual Disbursement
1	\$84,800,000	\$21,200,000
2	\$71,910,400	\$17,977,600
3	\$60,980,019	\$15,245,005
4	\$51,711,056	\$12,927,764
5	\$43,850,976	\$10,962,744
6	\$37,185,627	\$9,296,407
7	\$31,533,412	\$7,883,353
8	\$26,740,333	\$6,685,083
9	\$22,675,803	\$5,668,951
10	\$19,229,081	\$4,807,270
<b>Total over 10 years</b>		<b>\$112,654,177</b>

**Table 4: Financial model for a \$100 million endowment  
spent at a constant rate**

	Initial Endowment	\$100,000,000
	Annual Return	6%
	Fund Disbursements	\$13,580,000
Year (end of 12 month period)	Endowment Balance	Annual Disbursement
1	\$92,420,000	\$13,580,000
2	\$84,385,200	\$13,580,000
3	\$75,868,312	\$13,580,000
4	\$66,840,411	\$13,580,000
5	\$57,270,835	\$13,580,000
6	\$47,127,085	\$13,580,000
7	\$36,374,711	\$13,580,000
8	\$24,977,193	\$13,580,000
9	\$12,895,825	\$13,580,000
10	\$89,574	\$13,580,000
<b>Total over 10 years</b>		<b>\$135,800,000</b>