

California announces new deal with tech to fund journalism, AI research

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The dome is photographed at the California State Capitol on Monday, Aug. 5, 2024, in Sacramento, Calif. Credit: AP Photo/Juliana Yamada, File

California will be the first U.S. state to direct millions of dollars from taxpayer money and tech companies to help pay for journalism and AI

research under a new deal announced Wednesday.

Under the first-in-the-nation agreement, the state and [tech companies](#) would collectively pay roughly \$250 million over five years to support California-based news organization and create an AI research program. The initiatives are set to kick in in 2025 with \$100 million the first year, and the majority of the money would go to news organizations, said Democratic Assemblymember Buffy Wicks, who brokered the deal.

"This agreement represents a major breakthrough in ensuring the survival of newsrooms and bolstering local journalism across California—leveraging substantial tech industry resources without imposing new taxes on Californians," Gov. Gavin Newsom said in a statement. "The deal not only provides funding to support hundreds of new journalists but helps rebuild a robust and dynamic California press corps for years to come, reinforcing the vital role of journalism in our democracy."

Wicks' office didn't immediately answer questions about specifics on how much funding would come from the state, which news organizations would be eligible and how much money would go to the AI research program.

The deal effectively marks the end of a yearlong fight between tech giants and lawmakers over Wicks' proposal to require companies like Google, Facebook and Microsoft to pay a certain percentage of advertising revenue to media companies for linking to their content.

The bill, modelled after a legislation in Canada aiming at providing [financial help](#) to local news organizations, faced intense backlash from the [tech industry](#), which [launched ads](#) over the summer to attack the bill. Google also tried to pressure lawmakers to drop the bill by temporarily removing news websites from some people's search results in April.



Assemblywoman Buffy Wicks, D-Oakland, smiles after measure that would force Big Tech companies to pay media outlets for using their news content was approved by the Assembly at the Capitol in Sacramento, Calif., Thursday, June 1, 2023. Credit: AP Photo/Rich Pedroncelli, File

"This partnership represents a cross-sector commitment to supporting a free and vibrant press, empowering local news outlets up and down the state to continue in their essential work," Wicks said in a statement. "This is just the beginning."

California has tried different ways to stop the loss of journalism jobs, which have been disappearing rapidly as legacy [media companies](#) have struggled to profit in the digital age. More than 2,500 newspapers have

closed in the U.S. since 2005, according to Northwestern University's Medill School of Journalism. California has lost more than 100 news organizations in the past decade, according to Wicks' office.

The Wednesday agreement is supported by California News Publishers Association, which represents more than 700 news organizations, Google's corporate parent Alphabet and OpenAI. But journalists, including those in Media Guild of the West, slammed the deal and said it would hurt California news organizations.

State Sen. Steve Glazer, who authored a bill to provide news organizations a tax credit for hiring full-time journalists, said the agreement "seriously undercuts our work toward a [long term solution](#) to rescue independent journalism."

State Senate President Pro Tempore Mike McGuire also said the deal doesn't go far enough to address the dire situation in California.

"Newsrooms have been hollowed out across this state while tech platforms have seen multi-billion dollar profits," he said in a statement. "We have concerns that this proposal lacks sufficient funding for newspapers and local media, and doesn't fully address the inequities facing the industry."

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