

MINUTES
BOARD OF DIRECTORS
SOCIETY OF PROFESSIONAL JOURNALISTS FOUNDATION
SATURDAY, APRIL 18, 2020
ZOOM CALL

MEETING CALLED TO ORDER

The Zoom meeting was called to order at 12:02am EDT. Members present: President Irwin Gratz; Vice President Hagit Limor; Secretary Sonny Albarado; Treasurer Howard Dubin; board members April Bethea, Fred Brown, David Carlson, David Cuillier, Jay Evensen, Paul Fletcher, Todd Gillman, Matthew Hall, Evelyn Hsu, Jane Kirtley, Sue Kopen Katcef, Robert Leger, Frank LoMonte, Patricia Gallagher Newberry, Andy Schotz, Battinto Batts, Michael Bolden, Kelly Hawes, Alex Jones, Sally Lehrman, J. Alex Tarquinio. Members absent: board members Russell Pulliam, Bill Ketter and Sonya Ross. Also present: SPJ Executive Director John Shertzer, Development Director Larry Messing and Controller Jake Koenig.

Gratz noted the success of the Day of Giving Back which raised \$40,000 for the Journalists' Emergency Fund.

SPJ Proposal to SPJ Foundation

Newberry provided an update on the status of SPJ. The board asked Shertzer to complete a 3-month COVID-19 plan for SPJ. Due to the pandemic and other factors, SPJ finances are unstable. In addition, we are not a leader in online resources for journalists. Since the last board meeting on April 18th, the SPJ and Shertzer has been able to create a more fully fleshed out proposal.

Hall noted that this updated proposal dovetails with the work of the strategic taskforce, which finds that education is the way to carve SPJ's place going forward. This includes reaching out to our student members.

Shertzer provided a presentation to the board, which provided greater detail to SPJ's proposal.

Hsu noted that success metrics need to include membership retention and growth. Shertzer said it would become a benefit for members, with, over time, programs being designed for only members.

Batts asked where the revenue model was. How does SPJ make money after 3 years? Shertzer said the goal is to begin bringing in revenue in years 2 or 3. This includes a possible certificate

program by year 3. Newberry noted that the new program/education person would also oversee the development of high-quality programming for EIJ, which would also provide revenue. Batts noted that SPJ needs to look at business model. He also asked if SPJ Foundation had to make a 3-year commitment.

Porter asked if there were any other potential funders. Shertzer responded that Newmark has been asked about funding a new ethics training program and additional program funding is being requested of Google, Knight and Scripps, but currently nothing for this specific initiative.

Gillman said he felt there was too much focus on student journalists as they already have the resources provided by their colleges. The focus needs to be on the mid-career journalists.

Limor asked Dubin how financially prudent this was. Dubin responded that he did not think this move was prudent. The board set the principle of the Foundation at \$12 million. Currently sitting at \$12.192 million. If this is funded, there may be no way to pay out 4.5 percent in grants in the future.

Limor asked if there were other funding possibilities that would lower the ask of the Foundation. Shertzer responded that SPJ is looking at many ways to accomplish this. Without a significant help from the foundation, this process would be slower and would require greater operational assets from SPJ. In addition, there would be less opportunity to providing programming for those outside SPJ. Koenig noted that the Foundation had \$300,000 in reinvest-able assets last year.

Batts asked if there were ways to partner with other organizations to accomplish the same thing, but sharing in the costs. John noted that we've talked to other organizations for partnership and have done so with webinars. One downside of partnering is the inability to create programming solely for members.

Porter asked if there were areas for cuts in the SPJ budget. Shertzer responded that there were not enough. Shertzer also noted that he had reviewed the report from Talbott, but has shelved some of the recommendations until after COVID.

Lehrman suggested that there must be additional sources for funds. Rather than fund three years, could SPJ consider doing a one year pilot.

Bolden said revenue in the near future is not feasible. Donor assets are reduced. Are things so bad that it is worth invading the corpus? Bolden noted that Knight Foundation would likely find this program too remedial to consider funding.

LoMonte said he loved the direction and the effort to be bold. He asked if we could look at ways of contracting with schools and out-of-work journalists for programs. Does SPJ truly feel they know what the underlying situation is. Shertzer said that a contract person is definitely an option. He also noted that this program could help to create some staff efficiencies.

Newberry noted that SPJ's key areas of revenue are membership, grants and events. Currently membership is declining, donations are down, but there is revenue opportunities for programming.

Hall said the SPJ program is current a "hot mess" but this program could create an economy of scale and improve other areas.

Tarquino asked if it was possible for the Foundation to get member numbers again. She also asked if there was an exit strategy for the foundation. She asked about the status of Scripps Institute and J-Camp. John responded that he would be glad to provide monthly numbers to the boards.

Jones asked if avoiding hitting the \$12 million corpus is an existential moment for the organization. Is it now or never? Is John reconciled with the corpus? Shertzer noted that there is urgency and the timing is right to do something significant. Chapters (pro and student) are weak and the new position would develop programs to also improve chapters.

Dubin noted that the Chicago chapter is funding the memberships and will be adding 500 new members. Could other chapters do the same?

Bethea asked what the Foundation is looking to get done today. Would they consider a pilot phase? Shertzer responded, minimally, the SPJ is looking for one year of funding, which would allow for a consultant. A staff person is needed to spearhead this.

Koenig noted that the Pulliam Fund has consistently had annual dividends of \$400,000, \$75,000 of which are in cash. Potentially the remainder could be used to fund this program and not reinvested. This would allow the Foundation to not have to sell any assets.

Gratz noted that the board should consider how this is a different moment and how something soon should be done to make a difference.

Tarquino asked if the dividends help fund the Journalist on Call position. Have we looked at dynamic assets?

Durbin noted that the dividends of the past will likely not be coming this year.

Schotz asked what sort of market analysis had been done. Could the Journalist on Call oversee this program? Shertzer responded that staff has done a market analysis and noted that the market for our members is relatively bare. Our main programming competitors are Poynter, Knight and Knight Foundation for online programming. Any staffer hired would do an analysis of those things missing.

Hsu asked if a consultant could do a market analysis. Could a 1-year pilot offer opportunities for SPJ? Followed with an evaluation to discuss multiyear funding.

Limor made a motion to enter into executive session
Seconded by LoMonte
Approved unanimously.

Hsu asked what could be accomplished with one year's funding.

Shertzer responded that staff could get prepped and, perhaps, two sessions per month could be launched. In addition, EIJ could be prepped.

Lehrman made a motion to fund 1-year of funding for SPJ's education enhancement improvement program at \$198.7K.
Seconded by Fletcher

Albarado noted that the board funded the Journalist on Call position with less detail and that ended up proving itself. This program should be funded at some level.

Batts asked if this should be considered a rescue plan. Shertzer responded that if this is funded, this will help SPJ get to a place of strength. Goal is to have this program covered by dues within three years.

LoMonte offered amendment of language to extend timeline to September 2021 in time for EIJ. Lehrman asked if this position was tied to EIJ at all. Gratz responded that the board would be meeting in September with or without EIJ to review. Amendment did not proceed.

Bethea asked if SPJ would be able to do the upgrades it wants at \$198.7K. Shertzer responded yes.

Schotz asked if Google and Facebook were having difficulty with filling slots. Shertzer responded that, even with the difficulties of COVID, SPJ is finding creative ways to fill slots and both organizations are satisfied. Schotz asked if journalism schools were offering digital training for students. Newberry responded that it depended on the school. Larger ones have more

resources. Schotz asked what the staffing needs would be. Shertzer responded that it would include one position and an events consultant to oversee EIJ logistics.

Vote

Yes: 19

No: 3

Motion passes

Hawes made a motion to close.

Lehrman seconded

Passed unanimously.

Meeting adjourned at 2:24