



Corporation
for Public
Broadcasting

Office of the Inspector General

March 30, 2023

To: Jackie J. Livesay, Deputy General Counsel and Vice President, Compliance
Kathy Merritt, Senior Vice President, Radio, Journalism and CSG Services

From: Kimberly A. Howell, Inspector General

Digitally signed by
Kimberly Howell
Date: 2023.03.30
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Subject: Evaluation of KBEM-FM, Board of Education, Minneapolis Public Schools,
Compliance with Selected Communications Act, Diversity and Transparency
Requirements, Report No. ECR2306-2305

We have completed an unannounced evaluation of compliance with selected requirements of the 2023 Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) awarded to KBEM-FM, licensed to the Board of Education, Minneapolis Public Schools (MPS), Minneapolis, MN. Our specific objectives were to verify compliance with twelve requirements of the Communications Act of 1934, as amended (Act) for open and closed meetings and open financial records, as well as the CSG General Provisions and Eligibility Criteria (General Provisions) for diversity and transparency as presented in Exhibit A. Background information on the station and CSG program can be found in Exhibit B.

Based on our review of KBEM-FM's website on January 20, 2023, we found the station was compliant with five of the eight requirements applicable, partially compliant with a sixth requirement, and noncompliant with two requirements. The remaining four requirements were not applicable.

Specifically, the station was not compliant with the following two requirements to:

- post its most recent CPB Annual Financial Report (AFR) on the station's website; and
- post its the most recent audited financial statement to the station's website.

The station was generally compliant with the Diversity Statement requirements, except for clearly reporting on the following two points in their statement:

- the extent to which Grantee's staff and governance reflect such diversity; and
- the progress the Grantee has made to increase its diversity in the last two to three years.

We recommend that CPB require KBEM-FM to:

- 1) identify the corrective actions and controls it will implement to ensure future compliance with Act requirements for open financial records; and
- 2) update its Diversity Statement to fully address the four reporting points covered in the CPB diversity requirements.

In response to our draft report, KBEM-FM management expressed their commitment to exceeding the expectations and requirements of CPB and took immediate corrective actions to address the issues by updating the station website with the most current AFR and AFS and updating the Diversity Statement. Additionally, KBEM-FM management has separated the financial audit of KBEM-FM from the Minneapolis Public Schools audit to ensure timely compliance with the filing and posting of documents required by CPB and they have created an internal plan to annually review, update and post online their diversity statement, including goals and progress towards those goals. The station's full response to the draft report and updated Diversity Statement is presented in Exhibit D.

Based on KBEM-FM's response to the draft report, we consider our recommendations resolved but open pending CPB's management decision accepting the station's corrective actions.

We initiated this evaluation to address station accountability as identified in our Annual Plan. We conducted our evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*. Our scope and methodology are discussed in Exhibit C.

cc: Laura Ross, Chair, CPB Board of Directors
Elizabeth Sembler, Chair, Audit and Finance Committee, CPB Board of Directors
U.S. Senate Committee on Homeland Security and Governmental Affairs
U.S. House of Representatives Committee on Oversight and Government Reform
U.S. Senate Committee on Commerce, Science and Transportation
U.S. House of Representatives Energy and Commerce Committee
U.S. Senate Committee on Appropriations
U.S. Senate Labor-HHS-Education Appropriations Subcommittee
U.S. House of Representatives Committee on Appropriations
U.S. House of Representatives Labor-HHS-Education Appropriations Subcommittee

FINDINGS AND RECOMMENDATIONS

I. ACT COMPLIANCE

Open Financial Records

Our evaluation found that KBEM-FM was not fully compliant with the Act requirements for open financial records to be available on the station's website. Specifically, we found that KBEM-FM had not posted either its FY 2022 audited financial statements or its FY 2022 AFR to its website, as of the date of our review, January 20, 2023.

The Act provides:

Funds may not be distributed pursuant to this subsection to any public telecommunications entity that does not maintain for public examination copies of the annual financial and audit reports, or other information regarding finances, submitted to the Corporation ...

47 U.S.C. Section 396 (k)(5). CPB's compliance guidance restates the requirement:

The Public's Access to Financial Information: The Act requires stations to make available to the public their annual financial and audit reports and other financial information they are required to provide to CPB. CPB also requires that each CSG recipient post the following documents on its station website:

- 1) its most recent audited financial statement or un-audited statement for stations exempt from providing audited financial statements; and
- 2) its most recent annual financial report (AFR) or annual financial summary report (FSR) (whichever is applicable).

CPB Act Compliance 2021 - III. Open Financial Records, Section E.

After receiving our Preliminary Observations on February 14, 2023, the station took immediate corrective action to post both documents to its website and brought the station into compliance with these requirements. Further, the station assured OIG that going forward they will put in place policies and procedures to assure that it will meet or exceed expectations and requirements.

The station was not compliant with Act open financial records requirements and may be subject to penalties under CPB's Non-Compliance Policy.

Recommendation:

- 1) We recommend that CPB management require KBEM-FM to identify the corrective actions and controls it will implement to ensure future compliance with Act and CPB requirements for open financial records.

KBEM-FM Response:

In response to our draft report, KBEM-FM management expressed their commitment to exceeding the expectations and requirements of CPB and took immediate corrective actions to address the issues by updating the station website with the most current AFR and AFS. Additionally, KBEM-FM management has separated the financial audit of KBEM-FM from the Minneapolis Public Schools audit to ensure timely compliance with the filing and posting of documents required by CPB.

OIG Review and Comment:

Based on KBEM-FM’s response to the draft report, we consider our recommendation resolved but open pending CPB’s management decision accepting the station’s corrective actions to ensure future compliance.

II. DIVERSITY COMPLIANCE

Diversity Statement

Our evaluation found that KBEM-FM generally complied with the CPB requirements to provide a Diversity Statement. However, we found that KBEM-FM did not clearly report on the following two points in their Diversity Statement:

- the extent to which Grantee’s staff and governance reflect such diversity; and
- the progress the Grantee has made to increase its diversity in the last two to three years.

Based on our review of the Diversity Statement we identified multiple elements or goals important to the station and school district. These include the following two statements.

- “To better serve those students and the community, KBEM along with MPS, are prioritizing hiring a more diverse staff to better reflect the community and students.”
- “We are also expanding our content offerings in FY23 via a new, dedicated audio stream and website called “MPS Voices” which will provide a platform for diverse content from students, faculty, staff, and community-stakeholders. This will be in the form of podcasting, citizen journalism, school news, sports play by play, and more.”

While these elements met CPB requirements, we did not see any reporting on how the station’s staffing or governance reflects the diversity they are trying to address. Further, we did not see any reporting on the station’s progress over the last two to three years to increase its diversity. Rather, the only reference to the last two to three years reiterated the first element referenced above, “Over the last two to three years, KBEM prioritized recruiting, interviewing, and hiring diverse candidates for a variety of openings.” There was no reporting on achieving their goal of increasing the diversity of the station’s staff or governance.

CPB's FY 2023 Radio Community Service Grant General Provisions and Eligibility Criteria, Section 8. Diversity Statement states:

The Act requires CPB to support diverse non-commercial educational content for unserved and underserved audiences. CPB's goal, therefore, is to support stations in providing a wide variety of educational, informational, and cultural content that addresses the following elements of diversity: gender, age, race, ethnicity, culture, religion, national origin, and economic status. It is appropriate that Grantee engage in practices designed to reflect such diversity of the populations it serves. In support of these objectives, Grantee must comply with the following.

A. Annual Review: Annually review and make any necessary revisions to the station's established diversity goal for its workforce, management, and boards, including community advisory boards and governing boards having governance responsibilities specific to or limited to broadcast stations.

B. Diversity Statement: Undertake the following to achieve Grantee's diversity goal.

1. Annually review with the station's governing board or Licensee Official:

- a. the diversity goal and any revisions thereto; and
- b. practices designed to fulfill the station's commitment to diversity and to meet the applicable FCC guidelines (47 C.F.R. § 73.2080).

2. Maintain on its website or make available at its central office, a diversity statement (approximately 500 words) that reflects on the following points, reviewing and updating the same annually with station management:

- a. the elements of diversity that Grantee finds important to its public media work;
- b. the extent to which Grantee's staff and governance reflect such diversity;
- c. the progress Grantee has made to increase its diversity in the last two to three years; and
- d. Grantee's diversity plans for the coming year....

Based on our review we concluded that the Diversity Statement did not fully address two of the four reporting points spelled out in CPB's criteria.

Recommendation:

- 2) We recommend that CPB management require KBEM-FM to update its Diversity Statement to fully report on the four points required by the diversity requirements.

KBEM-FM Response:

In response to our draft report, KBEM-FM management expressed their commitment to exceeding the expectations and requirements update the Diversity Statement and they have created an internal plan to annually review, update and post online, their diversity statement including goals and progress towards those goals.

OIG Review and Comment:

Based on KBEM-FM's response to the draft report, we consider our recommendation resolved but open pending CPB's management decision accepting the station's corrective actions to ensure future compliance.

Exhibit A

**Summary of KBEM-FM Website Review
as of January 20, 2023**

Requirements	Met	Partially Met	Not Met
1) Seven-day advance notice of governing body meeting: (Board of Education Minneapolis Public Schools)			
a) available on website	X		
b) available by other means			
2) Seven-day advance notice of board committee meetings:			
a) available on website	X		
b) available by other means			
3) Seven-day advance notice of CAB meetings:			
a) available on website	N/A		
b) available by other means			
4) If closed meetings were held, was documentation prepared explaining the basis for closing meeting in accordance with the Act:	N/A		
a) available on website			
b) available at central office			
5) If closed meeting documentation was prepared, was it available within 10-days of the closed meeting	N/A		
6) Most recent AFR available on website			X
7) Most recent audited financial statements on website			X
8) Senior/executive management information on website	X		
9) Governing body members on website	X		
10) CAB members on website	N/A		
11) Diversity Statement		X	
A. Diversity Statement is available to the public on:			
i. on website			
ii. at central office	x		
B. Annual review of Diversity Statement and statement available to public reflects current goals.	x		
C. Diversity Statement is approximately 500 words.	x		
D. The Diversity Statement reflects each of the following points			
i. the elements of diversity that Grantee finds important to its public media work;	x		
ii. the extent to which Grantee's staff and governance reflect such diversity;			x
iii. the progress Grantee has made to increase its diversity in the last two to three years; and			x

Exhibit A (continued)

Summary of KBEM-FM Website Review
as of January 20, 2023

Requirements	Met	Partially Met	Not Met
iv. the Grantee's diversity plans for the coming year	x		
E. Does the station's management annually review with the Governing Board or licensing official the diversity goals and revisions?	x		
12) Grantee's annual report on local content and services included in the grantee's current 2021 SAS on its content and services that serve local needs; and analysis about the reach and impact of the local services in its community.			
i. on website			
ii. at central office	X		

Legend: X designates that the 12 requirements tested were met, partially met, or not met.

x designates that the 5 sub-components of the CPB Diversity Statement requirements were met or not met.

Background

KBEM-FM, Minneapolis, Minnesota, is a public broadcasting station licensed to the Board of Education of the Minneapolis Public Schools (MPS). According to the KBEM-FM website, the station was established in the mid-1960's at the Minneapolis Vocational High School. Jazz became the main programming focus in the mid-1980s.

Further, MPS students participate in KBEM's hands-on education program which focuses on all aspects of broadcasting and production. Students who develop their skills and select broadcasting experience can gain significant on-air time.

CPB's Community Service Grant Program

The Act provides that specific percentages of the appropriated funds CPB receives annually from the United States Treasury must be allocated and distributed to licensees and permittees of public TV and radio stations. CPB distributes these funds through its CSG program. Grant award amounts are based in part on the amount of Non-Federal Financial Support (revenues) claimed by all stations on their AFRs and Financial Summary Reports (FSR) submitted to CPB.

In addition to the annual filing of a station's AFR(s) or FSR(s) for radio and/or television, the chief executive of the station and a licensee official annually certify to CPB the station's compliance with Act requirements and selected General Provisions requirements in the legal agreement awarding the station CSG funds.

These certifications specifically address Open and Closed Meetings, Open Financial Records, Community Advisory Board, CPB Employment Statistical Report, and Donor information requirements under Section IV Communications Act Compliance of the agreement. Station officials responsible for closed meetings and the CPB Employment Statistical Report requirements are identified in the grant agreement. The certification also includes Website Postings Required under Section V. Selected General Provisions Requirements of the agreement.

Scope and Methodology

We performed an evaluation of KBEM-FM's compliance with selected CSG provisions of the Act and grant certification requirements. Our specific objectives were to verify compliance with selected Act requirements for open and closed meetings and open financial records, as well as Radio Community Service Grants General Provisions and Eligibility Criteria for diversity and transparency. The scope of the evaluation included review of the information posted on the station's website as of January 20, 2023, as well as information provided in response to our Preliminary Observations issued on February 14, 2023.

We reviewed documents supporting the station's compliance with the Act requirements to provide advance notice of public meetings; notice of closed meeting reasons; and make financial information available to the public. We also reviewed the station's website and processes to determine its compliance with CPB's transparency requirements for eligibility. We informed station management of our evaluation on February 14, 2023, and we requested additional information to support the station's compliance, including as applicable diversity and transparency information maintained at its central office for documents that was required to be made available to the public at its central office if not posted on its website. Additionally, we requested station management to complete a Diversity Questionnaire to obtain information on the station's actions to annually review and update its Diversity Statement in compliance with CPB requirements.

We also reviewed CPB's Integrated Station Information System (ISIS) to determine if the evaluated information made available to the public was the most recent information submitted to CPB. In addition, we verified with station management that board and management listings posted to its website were current.

Our fieldwork was conducted from January through February 2023 and our evaluation was performed in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.

Exhibit D

1555 James Avenue North
Minneapolis, MN 55411-3197

612 668 1735 Business
612 529 5236 Studio
612 668 1766 Fax
jazz88fm.com



March 27, 2023

William J. Richardson III
Deputy Inspector General
Office of Inspector General
Corporation for Public Broadcasting

Dear William,

We have reviewed your draft evaluation report and have taken immediate corrective action to address noted issues. Those actions include:

- Updating the radio station website, jazz88.fm with the most current CPB AFR and AFS available. (FY22)
- Updating the radio station website with a more complete, comprehensive, and updated Diversity Statement. (FY23) The Diversity Statement is attached.
- Creating an internal plan to annually review, update, and post online, our diversity statement including goals and progress towards those goals with our board, station management, and workforce.
- Separated the financial audit of KBEM from the Minneapolis Public Schools audit to ensure timely compliance with the filing and posting of the documents required by the CPB.

We look forward to meeting or exceeding the expectations and requirements of the Corporation for Public Broadcasting and greatly appreciate the opportunity to learn from this experience.

Respectfully,

A handwritten signature in black ink, appearing to read "Dan Larkin", written over a white background.

Dan Larkin
Station Manager
88.5 KBEM-FM | Jazz88.FM
Minneapolis Public Schools
1555 James Ave N, Minneapolis, MN 55411
612-668-1745 office
dan.larkin@mpls.k12.mn.us

KBEM DIVERSITY STATEMENT-FY23

DIVERSITY GOALS

At KBEM-FM, we are committed to fostering a diverse, equitable, and inclusive community through our programming and workplace practices, aligning our goals with the [Minneapolis Public Schools Strategic Plan](#). We believe that a focus on DEI is essential for ensuring that we serve all members of our community and provide a platform for voices that have historically been marginalized.

KBEM strives to create an environment where individuals of all races, ethnicities, genders, sexual orientations, abilities, and backgrounds feel valued, respected, and supported. We are committed to increasing the diversity of our staff, volunteers, and contributors to ensure that our programming reflects the perspectives and experiences of all members of our community.

KBEM recognizes that systemic racism, sexism, homophobia, transphobia, ableism, and other forms of discrimination exist in our society and can manifest in our workplace. Therefore, we are committed to ongoing education and training to acknowledge and eliminate these issues. We believe that this work is not optional but necessary for building a just and equitable society.

KBEM also recognizes that our programming has the power to shape public discourse and understanding of critical issues. We want our programming to reflect a diversity of voices and perspectives, serving as a platform for voices that have been historically excluded and marginalized. KBEM will work to actively seek out and feature these voices in our programming.

KBEM WORKFORCE AND BOARD DIVERSITY

KBEM-FM is licensed to Minneapolis Public Schools (MPS), Special School District 1. We are governed by the MPS Board of Education which is made up of nine elected directors. Three are citywide and six from geographic districts. The board consists of five women, one non-binary person, and three men. Of those Board members there are four women and three men who identify as Black, Indigenous or a race other than White. One board member has physical challenges that would be defined as a disability. There are also two high school (non-voting) student representatives, one male and one female. Both also identify as races other than White.

The KBEM full-time staff consist of nine individuals. There is one White woman, two men who are Black, one Latino man, and five White men. There are many part-time and volunteer hosts and producers who are Black, Indigenous, Latinx, or races other than White who are heard weekly on-air.

PROGRESS TOWARDS ACHIEVING OUR DIVERSITY GOALS

KBEM continues to make progress towards its diversity goals. In last three years we have recruited, interviewed, and hired more diverse candidates than at any other time in our history. Our recruitment efforts are led by MPS Human Resources, whose policies are available for public viewing on the [school district website](#). These coordinated efforts have led to the hiring of two Black men and one Latino man for full-time positions.

Our programming reflects our goals for a more diverse, equitable, and inclusive radio station and media platform, as indicated by our nationally syndicated programming like “Jazz Night in America with Christian McBride,” and locally produced programs like “Luca’s Juke Joint” blues show from PaviElle French, and “Overnight Jazz” with Dee Alexander – all hosted by people of color. We are also very proud

KBEM DIVERSITY STATEMENT-FY23

of our daily (M-F) 10 a.m.-1 p.m. “Jazz with Class” student-voiced programming featuring reflections from and on the lives and perspectives of primarily BIPOC students from MPS schools.

DIVERSITY GOALS FOR FY24

KBEM has created two new full-time positions and one part-time position that will be filled after July 1, 2023 (FY24). Our goal is to continue to recruit, interview and hire more diverse candidates. We are placing a specific emphasis on recruiting and hiring more women of color and people who are differently abled. We will work with MPS Human Resources and community stakeholders to identify and recruit these candidates.

KBEM is also launching “MPS Voices”, a new streamed radio station and website that will give any MPS student, staffer, administrator, or teacher a platform for their voice to be heard. It will stream podcasts, sports play-by-play, news, and school-related information and entertainment -- all generated by and for MPS students and employees. Three KBEM full-time staff members will be involved in our outreach to traditionally marginalized students across the school district as we coordinate efforts with a new Career Technical Education (CTE) center to prepare MPS students for careers in media, social media, and journalism.