



Corporation
for Public
Broadcasting

August 17, 2023

VIA ELECTRONIC MAIL

Mr. Dan Larkin
Radio Station Manager
KBEM-FM
1555 James Avenue, North
Minneapolis, MN 55411

Dear Mr. Larkin,

RE: Evaluation of KBEM-FM, Board of Education, Minneapolis Public Schools, Compliance with Selected Communications Act, Diversity and Transparency Requirements (Report No. ECR2306-2305)

The evaluation referenced above concluded that KBEM-FM (KBEM) was compliant with five of eight select requirements in the Communications Act of 1932, 47 U.S.C. §396, et sec. (Communications Act), and in the General Provisions and Eligibility Criteria (General Provisions) governing the 2023 community service grant awarded it by the Corporation for Public Broadcasting (CPB).

The specific findings and CPB's determinations for KBEM follow.

I. Posting Current Financial Information

The Communications Act requires stations to make available to the public their annual financial and audit reports they are required to provide to CPB¹. CPB finds stations compliant if they post their most recent audited financial statement and annual financial report (AFR) on their website.

The evaluation found that KBEM had not posted its most recent audited financial statement and AFR on its website, although it immediately did so when the issue was brought to its attention during the evaluation. The report recommended that CPB require KBEM to identify the controls it will adopt to avoid this error in the future. Considering KBEM's swift action to correct these issues, the station's express commitment to compliance detailed in its correspondence², and the penalty assessed below, we will not require additional documentation.

Action: No further action is required of KBEM.

¹ General Provisions, Section 2 (C), Open Financial Records.

² Exhibit D of the audit report.

Mr. Dan Larkin
Radio Station Manager
KBEM-FM

II. Diversity Statement

The Communications 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. Towards this end, the General Provisions for the applicable years, requires grantees to annually review their diversity goals and any revisions thereto with their governing board or licensee, and maintain on its website or at its central office a diversity statement that reflects on the elements of diversity that are important to its public media work, the extent to which staff and governance reflect such diversity, the progress made to increase its diversity in the last two to three years, and diversity plans for the coming year³.

The evaluation found that KBEM had not reported the extent to which its staff and governance reflect such diversity and the progress it made to increase its diversity in the last few years. Consequently, the audit report recommended that CPB require KBEM to update its Diversity Statement to meet the requirements. KBEM promptly corrected this issue before the evaluation's completion. In its correspondence⁴, KBEM explained that it updated its Diversity Statement and created an annual plan for maintaining compliance with the provision.

CPB is currently reviewing the Diversity Statement requirement. Considering this, we require no additional action.

Action: No further action is required of KBEM.

III. CSG Non-compliance Policy

CPB adopted the CSG Non-compliance Policy to encourage grantees to comply with the applicable provisions governing their CSG and the Communications Act. Stations are subject to a penalty of \$5,000 for failure to comply with a category in the Communications Act and a penalty of \$1,000 for failure to comply with a category in the General Provisions. Considering the prompt action KBEM took to correct the issues, its compliance representations, and the overall results of the report, we will assess a reduced Communications Act penalty of \$2,500 for the open financial records non-compliance. Since Diversity Statement requirements are under review, CPB will not assess a penalty.

Action: KBEM must provide the \$2,500 penalty to CPB for its non-compliance with the Communications Act, within 45 days of the date of this correspondence. Accordingly, please forward a check payable to CPB to Nick Stromann, Vice President, Controller, Corporation for Public Broadcasting, 401 Ninth Street N.W., Washington, D.C. 20004-2129.

If you wish CPB to consider additional information relating to this matter, please provide the same in writing within 30 days of the date of this letter. Otherwise, CPB will consider these determinations final, and KBEM must comply with the actions set forth above. CPB reserves the right to take any other action it deems appropriate until these issues are resolved to CPB's satisfaction.

³ General Provisions, Section 8, Diversity Statement.

⁴ Exhibit D of the audit report.

Mr. Dan Larkin
Radio Station Manager
KBEM-FM

Kind regards,

Jackie J. Livesay

Jackie J. Livesay
Deputy General Counsel & Vice President, Compliance

CC: VIA ELECTRONIC MAIL

Julie Schultz Brown, Licensee Official, KBEM-FM

Michael Levy, Executive Vice President & Chief Operating Officer, CPB

J. Westwood Smithers, Jr., Senior Vice President & General Counsel, CPB

William P. Tayman, Jr., Chief Financial Officer & Treasurer, CPB

Kimberly Howell, Inspector General, CPB

William J. Richardson, III, Senior Director & Deputy Inspector General, CPB

Kathy Merritt, Senior Vice President, Radio, Journalism & CSG Services, CPB

Katherine Arno, Vice President, Community Service Grants and Station Initiatives, CPB

Nick Stromann, Vice President, Controller, CPB

Andrew Charnik, Director, Radio CSG Policy & Administration, CPB

Forrest Lillibridge, Director, Grants Administration, CPB