



Corporation  
for Public  
Broadcasting

Office of the Inspector General

April 26, 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

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Kimberly Howell  
Date: 2023.04.26  
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Subject: Evaluation of KLRN Television Compliance with Selected Diversity Requirements  
Included in the Television Community Service Grants General Provisions and  
Eligibility Criteria, Report No. ECT2304-2307

We have completed an unannounced evaluation of compliance with selected diversity requirements of the 2023 Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) awarded to KLRN Television (KLRN), licensed to the Alamo Public Telecommunications Council, San Antonio, Texas. The Communications Act (Act) requires CPB to support diverse non-commercial educational content for unserved and underserved audiences. Our specific objectives were to verify compliance with five diversity requirements for applicable Television Community Service Grants General Provisions and Eligibility Criteria (General Provisions) as presented in Exhibit A. Background information on the station and CSG program can be found in Exhibit B.

Based on our review of KLRN's website on January 27, 2023, we found the station was compliant with four of the five applicable requirements. We concluded that the station was generally compliant with the Diversity Statement requirements, except for fully reporting on the following two points in its statement:

- the progress the Grantee has made to increase its diversity in the last two to three years; and
- the Grantee's diversity plans for the coming year.

We recommend that CPB management require KLRN to update its Diversity statement to fully report on all four points required by the diversity requirements.

In response to our draft report, KLRN's management stated that they look forward to making improvements to their diversity reports. Management indicated that future Annual Reports on Diversity will include the progress made to increase diversity in the last two to three years. Management also stated that, in the future, KLRN's Annual Report on Diversity will include the station's diversity plans for the coming year. The station's full response to the draft report is presented in Exhibit D. Based on KLRN'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. TRANSPARENCY COMPLIANCE

#### *Diversity Statement*

Our evaluation found that KLRN generally complied with CPB requirements to provide a Diversity Statement. However, we found that KLRN did not fully report on the following two points in its Diversity Statement:

- the progress the Grantee has made to increase its diversity in the last two to three years; and
- the Grantee's diversity plans for the coming year.

Based on our review of the Diversity Statement, we identified multiple elements and goals that are important to the station. These include the following two statements.

- “KLRN believes that in order to be successful in fulfilling its mission we need diverse perspectives. That diversity and inclusion are key drivers of creativity, credibility, innovation and success. We understand that diversity is much more than race and gender. That diversity also includes diversity in the ways of thinking and perceiving our world. That reflecting the diverse community we serve is good for our workforce, viewers, vendors, and the community.”
- “KLRN's goals are to have a diverse representation in all aspects of our organization, including the Board of Directors, Community Advisory Board, staff and management in order to provide high-quality educational and meaningful programming to the diverse citizenry of South Central Texas and we are therefore committed to maintaining a diverse Board of Directors, Community Advisory Board, staffing and management that will effectively provide programming that is interesting, relevant and important to our diverse communities”

While KLRN's 2022 Annual Report on Diversity (annual report) stated the progress that the station made to address diversity for the fiscal year ended September 30, 2022, we did not see any reporting on the station's progress over the last two to three years to increase its diversity. Further, we did not see anything addressing the station's diversity plans for the coming year.

Additionally, when addressing diversity progress, we found that KLRN's Diversity Statement and annual report significantly focused on recruiting and the percentages of diverse groups currently included on the board, staff and management, and the Community Advisory Board. However, the Diversity Statement and annual report do not address the station's progress in programming, e.g., including kinds of programs and the percentage of programs that are dedicated to meeting the needs of the diverse community.

In KLRN's response to our preliminary observations addressing its Diversity Statement and Annual Report on Diversity, KLRN stated “KLRN's goals and practices include the production and broadcast of local programs that address the diversity of San Antonio and South Central,

Texas. On an ongoing basis KLRN addresses this need by producing programs such as “On The Record,” “SALUD,” “News Updates,” “The Beat,” and “Town Hall Meetings.” In addition, all of our education and outreach programs target at risk and diverse communities. These programs respond to local issues including news and education.”

CPB’s FY 2022 and FY 2023 Television Community Service Grant General Provisions and Eligibility Criteria, Section 5. Diversity Statement, A and B. state:

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 (Section 5 B. 2.c. and d.) spelled out in CPB’s criteria.

In response to not addressing these two points in its Diversity Statement, a station official said that KLRN practices diversity and that can be seen by the fact that most of the workforce is from diverse groups, and they recruit to fill board and CAB vacancies with diverse members. Further, he said that they do report the progress made each year in their Annual Report on Diversity and

that progress can be seen by reviewing the annual reports over the last few years. Additionally, a station official stated that they were unaware of these specific reporting requirements (i.e., that progress for the last 2-3 years should be documented in the Diversity Statement and include their plans for the coming year) and that they would address these in its future reporting.

***Recommendation:***

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

***KLRN Response:***

In response to our draft report, KLRN's management stated that they look forward to making improvements to their diversity reports. Management indicated that future Annual Reports on Diversity will include the progress made to increase diversity in the last two to three years. Management also stated that, in the future, KLRN's Annual Report on Diversity will include the station's diversity plans for the coming year.

***OIG Review and Comment:***

Based on KLRN'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.

**Summary of KLRN’s Website Review  
as of January 27, 2023**

Diversity Requirements	Met	Not Met
<b><i>Diversity Compliance</i></b>		
1. Diversity statement is available to the public on:		
a) the station’s website	X	
b) at the central office.		
2. Annual review of Diversity Statement and available statement is current.	X	
3. Diversity Statement is approximately 500 words.	X	
4. The Diversity Statement reflects each of the following points:		
a) the elements of diversity that Grantee finds important to its public media work;	X	
b) the extent to which Grantee’s staff and governance reflect such diversity;	X	
c) the progress Grantee has made to increase its diversity in the last two to three years; and		X
d) the Grantee’s diversity plans for the coming year		X
5. Does the station’s management annually meet with the Governing Board or licensing official to review the <i>diversity goal</i> and revisions?	X	

**Background**

KLRN, San Antonio, Texas, is a public broadcasting station licensed to the Alamo Public Telecommunications Council (APTC). According to its audited financial statements, the APTC is a non-profit corporation providing public and educational broadcast services. APTC operates KLRN, a public television station and is a member of the Public Broadcasting Service. APTC receives support primarily from the viewing public, as well as private and government grants.

***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 Annual Financial Reports and Financial Summary Reports (FSR) submitted to CPB.

In addition to the annual filing of a station's AFR(s) or FSR 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.

### **Scope and Methodology**

We performed an evaluation of KLRN's compliance with selected diversity requirements of the Television Community Service Grants General Provisions and Eligibility Criteria (General Provisions). The scope of the evaluation included review of the information posted on the station's website as of January 27, 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 selected diversity requirements included in CPB's General Provisions. We also reviewed the station's website and processes to determine its compliance with CPB's transparency requirements for eligibility related to diversity. We informed station management of our evaluation on February 14, 2023, and 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.

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*.



April 11, 2023

The Honorable Kimberly A. Howell  
Office of the Inspector General  
Corporation for Public Broadcasting  
401 Ninth Street, NW  
Washington D.C. 20004-2129

Subject: Evaluation of KLRN Television Compliance with Selected Diversity Requirements Included in Television Community Services Grants General Provisions and Eligibility Criteria, Draft Report No. ECT2304-XXXX

Dear Inspector Howell:

We received your report regarding CPB's evaluation of KLRN Television's Compliance with Selected Diversity Requirements. Regarding the two points noted in your evaluation we submit the following:

- We understand that KLRN's 2022 Annual Report on Diversity did not describe our progress to increase diversity over the past two to three years. For comparison, our website reflects the last five years of KLRN's Annual Diversity Reports. In future Annual Diversity Reports KLRN will include the progress made to increase diversity in the last two to three years.
- We also understand that KLRN's Annual Report on Diversity did not include our diversity plans for the coming year. Our Diversity Statement and Policy reflects the actions we take on an ongoing basis to promote diversity. In the future KLRN's Annual Report on Diversity will include our diversity plans for the coming year.

We look forward to making improvements in our diversity reports.

Warm regards,



**Arthur Rojas Emerson**  
President and CEO



**Patrick Lopez**  
Executive Vice President and CFO