

ACCREDITATION FOLLOW-UP REPORT

FALL 2015

*Prepared for the
Accrediting Commission for Community and Junior
Colleges
Western Association of Schools and Colleges*



Antelope Valley College
3041 West Avenue K
Lancaster, California 93536

I. CERTIFICATION OF THE FOLLOW-UP REPORT

To: Accrediting Commission for Community and Junior Colleges (ACCJC)

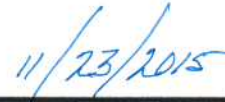
From: Antelope Valley College

This Follow-Up Report provides a summary of the institutional response to a recommendation cited in the ACCJC letter of February 6, 2015 in response to the college's October, 2014 Follow-Up Report.

We certify that this report included opportunities for participation by the campus community and that the Follow-Up Report accurately reflects the nature of this institution to the issues addressed.



Mr. Edward Knudson
Superintendent/President
Antelope Valley College



Date



Lew Stults
President, Board of Trustees



Date



Dr. Bonnie Suderman
Vice President of Academic Affairs



Date



Dr. Edward Beyer
Academic Senate President

23 Nov 2015

Date



Pamela Ford
Classified Union President

12/4/15

Date



Shawn Smith
ASO President

11-24-2015

Date



Tina Leisner McDermott
Faculty Accreditation Coordinator

11-23-15

Date

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III. List of Evidence

- Antelope Valley Community College District Retirement Board Website
- Futuris Trust Administrative Services Agreement
- Board Presentation, September 14, 2015. Antelope Valley Community College District Adopted Budget
- June 2015 Statement
- October 2015 Statement
- Crowe Howath Audit Services Contract
- Retirement Board of Authority 2014 Annual Progress Report
- Actuarial Study of Retiree Health Liabilities as of July 1, 2015

IV. STATEMENT OF REPORT PREPARATION

On January 31, 2011, Antelope Valley College (hereinafter referred to as AVC or the college) received the letter from the Accrediting Commission for Community and Junior Colleges stating that the college's August 10, 2010 self-study report was accepted with the requirement that a Follow-Up Report be completed. The Executive Vice President of Academic Affairs and Student Services/Accreditation Liaison Officer agreed to continue to serve as co-chair, and a work-group committee formed to complete the project. The report was submitted to the ACCJC in August 2012.

On February 11, 2013 the ACCJC requested an additional Follow-Up Report in conjunction with the Midterm Report, due October 15, 2013, to include a visit to the college in October 2013. On February 7, 2014, the ACCJC certified the college's Midterm Report and required a third Follow-Up report to demonstrate sustained improvements and compliance with recommendations 2.d and 4 as noted in the 2011 recommendations.

In spring, 2014, meetings were held with the Accreditation Steering Committee to resolve outstanding issues and finalize the draft of the third follow-up report. The report was vetted by the campus community and approved by the Board of Trustees. In October, 2014, the third follow-up report was submitted to ACCJC.

On February 6, 2015, the ACCJC requested an additional Follow-Up Report, due in October, 2015. Due to the specificity of the request for information in the final Follow-Up Report, the Vice President of Academic Affairs and the Executive Director of Business Services led the project to gather information and complete the report. The Follow-Up Report was posted on the AVC website, and an email was sent to notify the campus that the report was available for review and feedback. The report will be presented to the Board of Trustees on December 14, 2015.



Mr. Edward Knudson
Superintendent/President
Antelope Valley College



Date

V. FOLLOW-UP REPORT AND PROJECT PARTICIPANTS

Dr. Bonnie Suderman

Vice President of Academic Affairs
Accreditation Liaison Office

Tina Leisner McDermott

Instructor, Communication Studies
Faculty Accreditation Coordinator

Dianna Keelen

Executive Director, Business Services

Deborah Morgan

Senior Administrative Assistant, Vice President of Academic Affairs

Mr. Mark Bryant

Vice President of Human Resources

Mr. Michael Adams

Trustee, Antelope Valley College District Board

VI. RESPONSE TO THE RECOMMENDATION OF THE COMMISSION

Recommendation, Standard III.D.3.c

The college needs to allocate funds to the OPEB trust. The activity of the Retirement Board does not demonstrate clear progress in addressing the OPEB liability and its impact on the College's ability to prevent service impacts.

The District established the [Retirement Board of Authority \(RBA\)](#), which held its first meeting April 24, 2014. The District contracted with RPM Consulting services for assistance with RBA education, investment policy, by-law development, issuing a request for proposal for trust and investment services and assistance with developing the comprehensive and substantive plan for managing the District's long-term retiree health liability. The RBA met regularly every other month for a year ([RBA agendas](#)). During this time, the RBA issued a formal Request for Proposal for irrevocable trust investment services and selected the [Futuris Program through Keenan & Associates](#).

The Antelope Valley College Board of Trustees has been provided with [multi-year budget projections](#) that include funding the trust each year. The Board of Trustees is committed to setting aside \$387,113 each year until the full liability is funded. The first disbursement of [\\$387,113](#) was deposited into the irrevocable trust account in June 2015. The second disbursement of \$387,113 was put into the trust in early Fall 2015. As of fall 2015, a total of [\\$774,226](#) has been deposited into the irrevocable trust.

The District contracted with [Crowe Horwath](#) to conduct an audit of the trust account that is required annually. The RBA now meets quarterly and reports out to the Board of Trustees annually in January/February on status of the comprehensive/substantive plan, actuarial study results and investment status. The first report from the RBA to the Board of Trustees occurred in [February 2015](#).

The District has been working with RPM consulting services on the District's substantive plan, resulting in work on the substantive plan that fills four binders located in the Business Services Office. The work is not complete, but significant progress has been made by the Retirement Board of Authority in achieving the compliance of GASB 43 & 45.

The District has also received the actuarial results from the [July 2015 study](#) that was conducted by Total Computation Systems. There have been several changes to the assumptions in the valuation report that have increased costs and liabilities greater than normally expected. One is the new Actuarial Standard of Practice 6 (ASOP 6) which requires using an "implicit rate subsidy" reflecting that non-Medicare retiree rates are not at a self-sustaining level. The second is that the amortization period had been changed from 30 years to 25 years. Last, long-term inflation

assumptions have been reduced from 3% to 2.75%. With that, the new figure for the District's Actuarial Accrued Liability (AAL) is \$10,385,223 and the Annual Required Contribution (ARC) is \$1,389,475. This does not reflect contributions to the trust because the actuarial study was conducted prior to any disbursements into the trust account.

In October 2015, the District requested a second actuarial study to reflect what the reduced liability would be considering the investment into the trust account as well as the long-term commitment to fund the trust each year until the liability is covered. This report is expected by the beginning of 2016.

The recommendation has been met.