Dr. Paul L. Hill  
Interim Chancellor  
West Virginia Higher Education Policy Commission  
1018 Kanawha Boulevard East  
Suite 700  
Charleston, WV 25301  

Dear Dr. Hill,

Thank you for your letter dated March 28, 2012, regarding the impact of Other Post Employment Benefits (OPEB) on colleges and universities in West Virginia.

While the Commission understands these items may negatively impact CFI scores, we strive to consistently apply our criteria across all of our member institutions. As such, our position follows GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, which states that these items should be recognized as liabilities and therefore be included in the CFI calculation.

Per your request, I can create a separate Excel-based template, outside of the Commission’s Institutional Update process, which would allow your institutions to calculate and report their CFI score without the OPEB liability for purposes of the financial panel review. However, the financial panel will maintain the discretion to ask any institution before it for more information about the institution’s finances, even if the institution demonstrates that removing post employment benefits from the calculation generates a CFI that falls above the threshold for review.

Please feel free to contact me should you have any other questions or concerns.

Sincerely,

[Signature]

Michael Seuring  
Chief Financial Officer