



STATE OF MICHIGAN

DEPARTMENT OF MANAGEMENT & BUDGET  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

LISA WEBB SHARPE  
DIRECTOR

December 23, 2008

Doug Ringler, Director  
Office of Internal Audit Services  
Office of the State Budget  
George W. Romney Building  
111 South Capitol, 6<sup>th</sup> Floor  
Lansing, MI 48913

Dear Doug:

In accordance with the State of Michigan, Financial Management Guide, Part VII, following is a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the State Universities Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data.

Questions regarding the summary table or corrective action plans should be directed to Glen Preston, State Budget Office at (517) 335-1539.

Sincerely,

Signature Redacted

Michael R. Gilliland, Director  
Financial Services

Attachment

c: Mitch Bean, House Fiscal Agency  
Representative Pam Byrnes, House Appropriations Higher Education Subcommittee  
Laura Hirst, Office of the Auditor General ✓  
Senator Wayne Kuipers, Senate Education Standing Committee  
Rick Lowe, Office of Internal Audit Services/GSD  
Representative Tim Melton, House Education Standing Committee  
Gary Olson, Senate Fiscal Agency  
Glen Preston, State Budget Office  
Senator Tony Stamas, Senate Appropriations Higher Education Subcommittee  
Executive Office

Office of the State Budget  
Department of Management and Budget  
Summary of Agency Responses to Recommendations  
Fiscal Year 2005-06

State Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data Performance Audit.

Recommendation No. 2 – Timely Submission of HEIDI Data:  
DMB initiate enforcement actions against universities for late submission of HEIDI data.

Response:  
DMB will comply with this recommendation for fiscal year 2009. DMB will work through the HEIDI Advisory Committee to formulate fiscal year 2010 language that will allow DMB flexibility in withholding state aid payments to universities so that such withholding occurs only if a university is egregious in failing to provide HEIDI data.

Recommendation No. 3 - Reported Student Credit Hours:  
DMB's HEIDI reporting methodology report student credit hours for Michigan's 15 public universities based on completed student credit hours rather than on a specific date.

Response:  
DMB disagrees with this recommendation. The current reporting methodology has been followed since HEIDI was created in 1976 and is intended to facilitate longitudinal analyses of instructional cost studies by establishing the student count date at the point when a university's costs are essentially fixed. This methodology has been approved by the HEIDI Advisory Committee established under MCL 18.1299. This statute provides that audits are to be based upon the definitions, requirements, and uniform reporting categories established by the State Budget Director in consultation with the HEIDI Advisory Committee