

COMPLIANCE AUDIT  
OF

SELECTED STATE UNIVERSITIES' REPORTING  
OF ENROLLMENT AND OTHER HIGHER EDUCATION  
INSTITUTIONAL DATA INVENTORY (HEIDI) DATA

## EXECUTIVE DIGEST

# SELECTED STATE UNIVERSITIES' REPORTING OF ENROLLMENT AND OTHER HEIDI DATA

---

### INTRODUCTION

This report contains the results of our compliance audit\* of Selected State Universities' Reporting of Enrollment and Other Higher Education Institutional Data Inventory (HEIDI) Data, including the provisions of the appropriations act for higher education (Act 84, P.A. 1997) and the Department of Management and Budget (DMB) annual budget letter, for fiscal year 1996-97.

---

### AUDIT PURPOSE

This compliance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General and was mandated by Act 84, P.A. 1997.

---

### BACKGROUND

The 15 State universities are required to report certain enrollment and other HEIDI data to the Legislature and DMB on a fiscal year basis. Instructions for reporting the data are included in the boilerplate of the annual appropriations act for higher education and in the DMB annual budget letter to State universities.

For fiscal year 1996-97, gross appropriations to the 15 State universities totaled approximately \$1.5 billion and the total number of fiscal year equated students enrolled at the

\* See glossary on page 17 for definition.

15 universities was over 209,000. For the 5 selected universities audited for fiscal year 1996-97, gross appropriations totaled approximately \$219 million and the total number of fiscal year equated students was approximately 46,000.

---

**AUDIT OBJECTIVE  
AND CONCLUSION**

**Audit Objective:** To assess 5 State universities' compliance with selected enrollment and other HEIDI data reporting provisions of the appropriations act and the DMB annual budget letter.

**Conclusion:** Our assessment did not disclose any instances of noncompliance that could have caused a material misstatement\* of the enrollment and other HEIDI data reported by the selected universities (Central Michigan University, Oakland University, Michigan Technological University, Ferris State University, and University of Michigan - Flint). However, at 4 of the 5 universities, we noted instances of noncompliance with one or more of the enrollment reporting requirements (Findings 1 through 6).

---

**AUDIT SCOPE**

Our audit scope was to examine 5 of the 15 State universities' records supporting selected enrollment and other Higher Education Institutional Data Inventory data reported to the Department of Management and Budget for fiscal year 1996-97. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

\* See glossary on page 17 for definition.

---

**AGENCY RESPONSES**

Our audit report includes 6 findings and 6 corresponding recommendations. The universities' preliminary responses indicated that they concurred with 5 of the recommendations.

This page left intentionally blank

The Honorable Harry Gast, Chairman  
Senate Appropriations Committee  
Michigan State Senate  
and  
The Honorable Morris W. Hood, Jr., Chairman  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan

Dear Senator Gast and Representative Hood:

This is our report on the compliance audit of Selected State Universities' Reporting of Enrollment and Other Higher Education Institutional Data Inventory (HEIDI) Data, including the provisions of Act 84, P.A. 1997, and the Department of Management and Budget annual budget letter, for fiscal year 1996-97.

This report contains our executive digest; description of reported data; audit objective, audit scope, and agency responses; comment, findings, recommendations, and agency preliminary responses; and a glossary of acronyms and terms. A draft of the detailed audit findings was previously submitted to you.

Act 84, P.A. 1997, requires that the audited institutions for which we noted findings develop formal responses within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us by the universities.

AUDITOR GENERAL

This page left intentionally blank

## **TABLE OF CONTENTS**

### **SELECTED STATE UNIVERSITIES' REPORTING OF ENROLLMENT AND OTHER HIGHER EDUCATION INSTITUTIONAL DATA INVENTORY (HEIDI) DATA**

#### **INTRODUCTION**

	<u>Page</u>
Executive Digest	1
Report Letter	5
Description of Reported Data	8
Audit Objective, Audit Scope, and Agency Responses	9

#### **COMMENT, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES**

Compliance With Enrollment and Other HEIDI Data Reporting Requirements	10
1. Classification of Doctorate Degree Students	11
2. Classification of Post-Baccalaureate Students	12
3. Reporting by Student Level	12
4. Classification of Variable Credit Hour Courses	13
5. Enrollment Count Dates	14
6. Enrollment Count Date Policy	15

#### **GLOSSARY**

Glossary of Acronyms and Terms	17
--------------------------------	----

## Description of Reported Data

The Legislature established the Higher Education Institutional Data Inventory (HEIDI) to capture enrollment and other data regarding State universities. Examples of information requested by the Legislature through HEIDI include expenditures, revenue, faculty and staff positions and compensation, student population profiles, physical plant specifications, and student credit hours. The data reported to the Legislature is organized into tables for convenient reference. Universities report the data on a fiscal year basis. Instructions for reporting the data are included in the boilerplate of the annual appropriations act for higher education and in the Department of Management and Budget annual budget letter to State universities.

For fiscal year 1996-97, gross appropriations to the 15 State universities totaled approximately \$1.5 billion and the total number of fiscal year equated students enrolled at the 15 universities was over 209,000. For the 5 selected universities audited for fiscal year 1996-97, gross appropriations totaled approximately \$219 million and the total number of fiscal year equated students was approximately 46,000.

## Audit Objective, Audit Scope, and Agency Responses

### Audit Objective

The objective of our compliance audit of Selected State Universities' Reporting of Enrollment and Other Higher Education Institutional Data Inventory (HEIDI) data was to assess 5 State universities' compliance with selected enrollment and other HEIDI data reporting provisions of the appropriations act and the Department of Management and Budget annual budget letter.

### Audit Scope

Our audit scope was to examine 5 of the 15 State universities' records supporting selected enrollment and other Higher Education Institutional Data Inventory data reported to the Department of Management and Budget for fiscal year 1996-97. The 5 universities reviewed were Central Michigan University, Ferris State University, Michigan Technological University, Oakland University, and University of Michigan - Flint. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

### Agency Responses

Our audit report includes 6 findings and 6 corresponding recommendations. The universities' preliminary responses indicated that they concurred with 5 of the recommendations.

Annual appropriations acts require the principal executive officers of the audited institutions to submit written responses to our audit to the Auditor General, the House and Senate Fiscal Agencies, and the Department of Management and Budget. The responses are due 60 days after the audit report has been issued and should specify the action taken by the institutions regarding the audit report's recommendations.

# COMMENT, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

## COMPLIANCE WITH ENROLLMENT AND OTHER HEIDI DATA REPORTING REQUIREMENTS

### COMMENT

**Background:** The appropriations act for higher education (Act 84, P.A. 1997) mandates that the Auditor General audit enrollments at 5 randomly selected public universities. In accordance with the act, these audits are based on uniform reporting categories and include Higher Education Institutional Data Inventory (HEIDI) data. Examples of HEIDI data include expenditures, revenue, faculty and staff positions and compensation, student population profiles, physical plant specifications, and student credit hours. Each university has developed computer programs to process the data and to generate reports.

**Audit Objective:** To assess 5 State universities' compliance with selected enrollment and other HEIDI data reporting provisions of the appropriations act and the Department of Management and Budget (DMB) annual budget letter.

**Conclusion:** Our assessment did not disclose any instances of noncompliance that could have caused a material misstatement of the enrollment and other HEIDI data reported by the selected universities (Central Michigan University, Ferris State University, Michigan Technological University, Oakland University, and University of Michigan - Flint). However, at 4 of the 5 universities, we noted instances of noncompliance with one or more of the enrollment reporting requirements.

The reporting errors identified in this report may not necessarily have a direct dollar impact on the universities' funding. However, it is important for comparative analyses that all universities report their enrollment and other HEIDI data in a consistent manner that adheres to DMB instructions.

## **FINDING**

### **1. Classification of Doctorate Degree Students**

Central Michigan University and Oakland University did not adhere to DMB instructions when classifying students who bypassed a master's degree (graduate I student level\* ) program to enroll directly in a doctorate (graduate II student level) program.

For those students who bypass a graduate I student level program to enroll directly into a graduate II student level program, DMB instructions require that the universities classify the first 30 credit hours at the graduate I student level. However, the Universities reported all these students' credit hours at the graduate II student level.

The misclassification of credit hours for students who bypass a master's degree program to enroll directly in a doctorate program overstates the reported graduate II credit hours and understates the graduate I credit hours.

## **RECOMMENDATION**

We recommend that Central Michigan University and Oakland University adhere to DMB instructions when classifying students who bypassed a master's degree (graduate I student level) program to enroll directly in a doctorate (graduate II student level) program.

## **AGENCY PRELIMINARY RESPONSE**

### **Central Michigan University**

Central Michigan University agreed with the recommendation and informed us that it will take appropriate steps to properly classify these students in future reports.

### **Oakland University**

Oakland University informed us that it will comply with our recommendation and code each new student entering a doctoral program without a master's degree as graduate I until the student has completed 30 student credit hours of graduate study.

\* See glossary on page 17 for definition.

## **FINDING**

### **2. Classification of Post-Baccalaureate Students**

Ferris State University did not adhere to DMB instructions when classifying post-baccalaureate students admitted as undergraduate non-degree seeking students.

DMB instructions require that the universities classify post-baccalaureate students admitted as undergraduate non-degree seeking students at the upper division student level. However, the University reported these students at the lower division student level. This misclassification of credit hours overstates the reported lower division credit hours and understates the upper division credit hours.

## **RECOMMENDATION**

We recommend that Ferris State University adhere to DMB instructions when classifying post-baccalaureate students admitted as undergraduate non-degree seeking students.

## **AGENCY PRELIMINARY RESPONSE**

Ferris State University agreed with our recommendation and informed us that it will classify post-baccalaureate students admitted as undergraduate non-degree seeking students at the upper division student level. The University assured us that the data reported to DMB for fiscal year 1997-98 will reflect these changes.

## **FINDING**

### **3. Reporting by Student Level**

The University of Michigan - Flint did not adhere to DMB instructions when reporting student credit hours by lower and upper division student levels.

The University's definition of lower and upper division student levels differs from DMB's definition. DMB instructions define lower division students as those completing 55 or less semester credit hours. Upper division students are defined as those completing 56 or more semester credit hours.

The University identified students who had completed 55 credit hours as upper division. This reporting practice resulted in an overstatement of upper division credit hours and an understatement of lower division credit hours.

We noted this same situation in our prior audit. The University disagreed with our prior audit recommendation that the University adhere to DMB instructions.

### **RECOMMENDATION**

WE AGAIN RECOMMEND THAT THE UNIVERSITY OF MICHIGAN - FLINT ADHERE TO DMB INSTRUCTIONS WHEN REPORTING STUDENT CREDIT HOURS BY LOWER AND UPPER DIVISION STUDENT LEVELS.

### **AGENCY PRELIMINARY RESPONSE**

The University of Michigan disagrees. The University's long-standing standard for junior level classification has been the attainment of 55 earned credit hours, not 56 as required by DMB instructions. Achieving junior level status allows students to elect upper division courses that have a prerequisite of junior standing or to transfer into professional programs, such as those in business administration and education, which require a junior level class standing. The effect of this deviation from the DMB-specified standard is small relative to the total enrollment and student credit hours reported by the University's three campuses, but the impact on individual students is significant. Therefore, the University will continue to use its standard of 55 credit hours for junior status.

The House Higher Education committee held a hearing on this issue in fall 1995. At that time, staff from DMB testified that this deviation from DMB definitions was minor and did not present a substantive concern.

### **FINDING**

#### **4. Classification of Variable Credit Hour Courses**

Central Michigan University did not determine predominant student level\* for variable credit hour courses in accordance with DMB instructions.

\* See glossary on page 17 for definition.

DMB instructions require universities to report student credit hours for variable credit hour courses based on the level of the students that make up the predominance of the entire course, if one exists. However, the University determined predominance based on the individual variable credit hours assigned within the course instead of on a total course basis.

### **RECOMMENDATION**

We recommend that Central Michigan University determine predominant student level for variable credit hour courses in accordance with DMB instructions.

### **AGENCY PRELIMINARY RESPONSE**

Central Michigan University concurred with our recommendation and indicated that it will alter its reporting procedures to produce a predominant level for the aggregate course versus predominant level for each section of the course.

### **FINDING**

#### **5. Enrollment Count Dates**

The University of Michigan - Flint did not determine its enrollment count dates for the summer 1996, winter 1997, and spring 1997 semesters in accordance with DMB instructions.

DMB instructions to universities state that head counts and student credit hours should be counted at a specific date for each semester that is consistent from semester to semester and year to year according to policy established by the governing board. However, the official count dates for summer 1996, winter 1997, and spring 1997 semesters varied from the University's established policy by up to five days.

### **RECOMMENDATION**

We recommend that the University of Michigan - Flint determine its enrollment count dates in accordance with DMB instructions.

## **AGENCY PRELIMINARY RESPONSE**

The University of Michigan - Flint concurred with this recommendation. The University indicated that a communication requesting an amendment to the established official count dates for the University of Michigan - Flint campus will be presented to the Board of Regents for its approval. Once approved, these official count dates will be used by the University of Michigan - Flint campus for State reporting purposes.

## **FINDING**

### **6. Enrollment Count Date Policy**

Oakland University had not established an enrollment count date policy that was consistent with DMB instructions.

DMB instructions to the universities state that head counts and student credit hours should be counted at a specific date for each semester that is consistent from semester to semester and year to year according to policy established by the governing board.

The Oakland University Board of Trustees did approve a count date policy whereby official enrollments are to be counted for each semester (or session) at the end of the official registration period. However, the policy does not provide for student credit hours to be counted at a specific date for each semester that is consistent from semester to semester and year to year. The official count dates used by the University for fiscal year 1996-97 were 13, 15, 15, and 12 class days into the summer, fall, winter, and spring semesters (or sessions), respectively.

## **RECOMMENDATION**

We recommend that Oakland University establish an enrollment count date policy that is consistent with DMB instructions.

## **AGENCY PRELIMINARY RESPONSE**

Oakland University indicated that it would revise its count date policy to provide for student credit hours to be counted on a specific date for each semester and for each session. This revision will be presented for approval to the Oakland University Board of Trustees.

## Glossary of Acronyms and Terms

compliance audit	An audit that is designed to determine whether the entity has adhered to specific compliance requirements.
DMB	Department of Management and Budget.
HEIDI	Higher Education Institutional Data Inventory.
material misstatement	A misstatement in the enrollment and other HEIDI data that causes the data to not present fairly the actual enrollment and other HEIDI data in conformity with the annual appropriations act boilerplate language and the DMB annual budget letter.
predominant student level	The course level (lower division, upper division, graduate I, and graduate II) of the majority or plurality of students enrolled in a course.
student level	The cumulative number of credit hours applicable to a degree which is compiled by a student according to the following categories:  Lower division - Students who have completed 55 or less semester student credit hours toward a certificate, associate degree, or baccalaureate degree.  Upper division - Students who have completed 56 or more semester student credit hours toward an undergraduate degree; students working on a second baccalaureate degree; and post-baccalaureate students admitted as undergraduate non-degree seeking students.

Graduate I - All compiled student credit hours beyond the baccalaureate degree which are applicable to a master's degree, including those earned by students admitted as graduate non-degree seeking students.

Graduate II - All compiled student credit hours beyond the master's degree which are applicable to a specialist or doctorate degree.