

HIGHER ED. INSTITUTIONAL DATA INVENTORY

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4838 (Substitute H-1)

Sponsor: Rep. Lorence Wenke

Committee: Higher Education and Career Preparation

First Analysis (6-20-05)

BRIEF SUMMARY: The bill would place in statute and expand provisions currently referenced in the higher education budget bill that require the state budget director to establish, maintain, and coordinate the state higher education database commonly known as the Higher Education Institutional Data Inventory (HEIDI); arrange for audits conducted by the auditor general of the data collected from public universities; and appoint a six-member HEIDI advisory committee.

FISCAL IMPACT: The bill would have no significant fiscal impact on state or local government.

THE APPARENT PROBLEM:

Michigan has 15 public universities—Central Michigan, Eastern Michigan, Ferris State, Grand Valley, Lake Superior, Michigan State, Michigan Tech, Northern Michigan, Oakland, Saginaw Valley, the University of Michigan, University of Michigan-Dearborn, University of Michigan-Flint, Wayne State, and Western Michigan. The universities serve about 280,000 students each year, nearly 80 percent of whom are enrolled in undergraduate programs to earn a bachelor's degree. The remaining students are enrolled in graduate school to earn professional degrees, masters degrees, or doctorates. Three campuses—Michigan State, the University of Michigan/Ann Arbor, and Wayne State—have more than 40 percent of all enrollment, and over 60 percent of graduate school enrollment. See Background Information below.

The state funds about 40 percent of the universities' overall costs, allocating about \$1.4 billion for Fiscal Year 2006. The House-passed higher education budget for the upcoming fiscal year proposes that the funds be allocated to the universities using a funding model. Generally, that model has three components—enrollment, degrees granted, and research—and under the model, 37.5 percent of funds would be allocated based on enrollment; 37.7 percent based on degrees; and 25 percent based on research. Funds are distributed to universities in 11 monthly installments on the 16th of each month.

In order for the executive and legislative branches of government to understand universities' funding needs, the universities submit enrollment, degree, and revenue and expenditure data to the state, annually. (The research data is collected by and available from the federal government through the National Science Foundation.) Since FY 1976-1977, university information has been gathered in the Higher Education Institutional Data Inventory, sometimes called HEIDI. The data inventory is governed by the state budget

director, in consultation with a six-member advisory committee comprising representatives from the state budget office, the House and Senate fiscal agencies, and three representatives of the universities themselves.

For the past several years, HEIDI has been established annually in the boilerplate of the higher education budget bill. For example, in the FY 2006 higher education budget recently proposed by the House of Representatives (Article 8 of the omnibus House Bill 4831, pages 351-378), HEIDI is referenced in part 1, section 117 under "State and Regional Programs," where \$200,000 has been allocated for database modernization and conversion. Then in part 2, section 212(2), the bill specifies that if HEIDI data are not submitted to the state budget office, a university loses its monthly state payment. Further, subsections 405(1) and (2) create the HEIDI advisory committee; and section 701 describes the auditor general's responsibility to audit HEIDI data.

Legislation has been introduced to establish the HEIDI system in state statute, in addition to budget boilerplate.

THE CONTENT OF THE BILL:

House Bill 4838 would amend the Management and Budget Act to require in statute that the state budget director establish, maintain, and coordinate the state higher education database commonly known as the Higher Education Institutional Data Inventory (HEIDI); arrange for audits conducted by the auditor general of selected data submitted by public universities; and appoint a six-member HEIDI advisory committee. [Such a committee is currently established through provisions in the Higher Education budget bill.] More specifically, the state budget director would be required to do all of the following:

- establish, maintain, and coordinate a state higher education database which would commonly be known as the Higher Education Institutional Data Inventory, or HEIDI;
- collect data concerning public universities and their programs, including data required by law, and include it in the database;
- establish procedures to ensure the validity and reliability of the data, and the collection process;
- develop model data collection policies, including but not limited to policies that ensured the privacy of individual student data (and prohibiting the release of student social security numbers to the public);
- provide data in a useful manner to allow state policymakers and public university officials to make informed policy decisions;
- assist public universities in complying with audits under this law or federal law; and

- perform other functions assigned by the state budget director, or required by law.

The bill would put into statute a six-member HEIDI advisory committee within the Office of the State Budget Director. The committee members would include one representative from the House Fiscal Agency appointed by its director; one representative from the Senate Fiscal Agency appointed by its director; one representative of the Office of the State Budget Director appointed by the director; and three representatives of the Presidents Council of State Universities appointed by the council. Under the bill, the three university appointees would have to represent "a master's university, a doctoral university, and a research university," respectively.

The HEIDI advisory committee would provide advice to the state budget director on the management of the state database, including determining what data must be collected and maintained; defining the roles of stakeholders in the data collection system; recommending timelines for the implementation and ongoing collection of data; establishing and maintaining data definitions, data transmission protocols, and system specifications and procedures for the efficient and accurate transmission and collection of data; establishing and maintaining a process for ensuring the accuracy of the data; establishing and maintaining policies related to data collection, including privacy policies on individual student data; ensuring that data is made available to state policymakers and citizens in the most useful format possible; and addressing other matters as determined by the state budget director, or as required by law.

The auditor general would be required to review the inventory enrollment data submitted by all public universities and also perform audits of selected data. The review and audits would be based on the definitions, requirements, and uniform reporting categories established by the state budget director, in consultation with the advisory committee. The auditor general would submit an annual report of findings to the House and Senate Appropriations committees and the state budget director by July 1 of each year.

MCL 18.1299

BACKGROUND INFORMATION:

For more information about the state's public universities and higher education funding, see the Budget Background Briefings on the legislature's House Fiscal Agency website, and select Higher Education. In addition, visit the agency's public web address at <http://www.house.mi.gov/hfa>. There, select Reports from the left menu, click on alpha list, and choose H for higher education. Summaries of past higher education budgets are available for review.

Another source of information about the 15 public universities, including annual enrollment information, is the Presidents Council State Universities of Michigan. Their web address is <http://www.pcsum.org/>

ARGUMENTS:

For:

In order to make appropriations to the 15 public universities, policymakers need up-to-date information about the universities' operations, revenue, and expenditures. This legislation codifies an existing systematic data collection process known as HEIDI—the Higher Education Institutional Data Inventory—to achieve that end.

POSITIONS:

The Office of the State Budget supports the bill as amended. (6-15-05)

Legislative Analyst: J. Hunault
Fiscal Analyst: Kyle Jen

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.