

Financing Minnesota's Postsecondary Enrollment Options Program

Jennifer Zinth
Zinth Consulting, LLC
August 2022

Introduction

Minnesota's Postsecondary Enrollment Options [program](#) (PSEO) allows high school students to travel to the college campus to take college courses at no tuition cost to themselves for both high school and college credit. The passage of the Postsecondary Enrollment Options legislation in 1985 marked Minnesota as the first state in the nation to adopt statewide policy governing dual enrollment programs.

PSEO as the first program of its kind across the country is a source of great pride for some Minnesotans. However, some state and local stakeholders have expressed dissatisfaction with the standard PSEO funding model. At the time PSEO was enacted, college courses for high school students were seen as a means to provide academic opportunities to a small number of "high-flyer" students whose high schools could not meet their needs for advanced coursework opportunities. As some interviewed for this project noted, PSEO was originally designed to fill empty seats in college courses already being offered, and as such, was a win-win for both high schools unable to meet the needs of these advanced students, and postsecondary institutions interested in filling these courses closer to capacity. However, the original PSEO funding model yoked to participation among a small number of "high-flyer" students is a mismatch for today's conceptualization of dual enrollment serving a larger number of students with a wider range of academic preparation and interests – in both general education courses and career/technical education (CTE).

In recent years, speculation has arisen that this dissatisfaction with the original PSEO funding model, particularly among K-12 partners, is leading to an increase in the number of PSEO partnerships operating under the PSEO by contract model. The Minnesota State System annually collects data on PSEO participation, including via PSEO by contract, that is not included in the Rigorous Course Taking report. These data suggest that participation in PSEO by contract is on the rise among Minnesota State institutions. However, these data do not reflect participation in PSEO by contract through University of Minnesota campuses or private institutions.

A lack of comprehensive, public-facing data on student participation in PSEO by contract has led to a perception among some that no PSEO by contract participation data is collected. A lack of comprehensive, public-facing data has also raised concerns in some corners that PSEO by contract creates the potential for inequitable student access and participation, as well as the inability to document the extent of such potential inequities.

Development of this report

The intended audience for this report includes Minnesota state leaders across role groups; state agency staff administering PSEO; local K-12 and institution-level board members and K-12 and postsecondary staff who administer PSEO programs.

The purpose of this report is to provide perspectives from a variety of state and local PSEO stakeholders on the current PSEO funding model and identify potential alternatives to the current PSEO funding model — including the PSEO transportation reimbursement — to increase equitable student participation in PSEO.

The findings of this report were informed by 16 remote interviews conducted in September and October 2021 with 18 secondary and postsecondary PSEO stakeholders from across Minnesota representing state agencies (Minnesota State, the Minnesota Office of Higher Education, the Minnesota Department of Education); state organizations (including professional membership organizations); local organizations; and Education Strategy Group, which was engaged in PSEO activities in Minnesota in 2020-2021. Interviewees (referred to as “stakeholders” throughout the rest of this report) were asked to share their perspectives on advocates for the current funding model, challenges presented by the current funding model, and alternatives to the PSEO funding model recently proposed by state leaders. Stakeholders were also provided with a short overview of dual enrollment funding models in Idaho, Indiana, and Iowa – states with high school students enrolling by and large in a single dual enrollment model and with high percentages of students graduating with college credit. Stakeholders were invited to share their perspectives on the extent to which these models would be a “fit” in Minnesota from a political and financial perspective.

PSEO Legislation

The PSEO funding model codified in [M.S.A. § 124D.09](#), Subdivision 13, has not changed appreciably since the 1980s. Under this model, the state pays tuition only for courses completed for both high school and college credit (the funding model does not cover courses taken exclusively for postsecondary credit). Per the model, the department of education pays tuition to the partnering institution. Districts receive a reduced amount of state aid for each student participating in PSEO based on the percentage of the school day the student is enrolled in courses at the high school (in other words, high school students must forego at least one period/high school class in order to access PSEO). Postsecondary institutions are reimbursed for PSEO tuition at a flat rate set at the state level, regardless of the tuition amount charged to regularly matriculated students. For PSEO students enrolled full-time in postsecondary coursework, districts retain 12% of average daily membership (ADM) to cover administrative costs associated with the student's enrollment. The number of PSEO students enrolled under this funding model is reported in the department of education's statutorily mandated Rigorous Course Taking [report](#), alongside enrollments in concurrent enrollment, Advanced Placement, and International Baccalaureate courses.

Subdivision 10 and Subdivision 16 of the statute also permit districts and postsecondary institutions to enter into agreements to offer college courses to high school students under alternative funding arrangements, a model that refers both to PSEO by contract and concurrent enrollment. Under the provisions of “Courses according to agreements,” added to the Postsecondary Enrollment Options Act in 1992, the funding model in [M.S.A. § 124D.09](#)

Subdivision 13 is not used. Instead, the amount of tuition the district pays the postsecondary partner is locally determined, and each participating high school student is counted in the district's ADM as if the student were enrolled in a secondary course. Since funding for PSEO students enrolled under this model does not flow through the department of education, PSEO courses taken by students enrolled through PSEO by contract are not reflected in the Rigorous Course Taking report.

Current PSEO funding formula impact on districts

As mentioned above, districts lose significant amounts of ADM for PSEO students. Some stakeholders commented on the perception that money is “left on the table” after district state aid goes to the partnering institution. One stakeholder commented that providing districts with 12% of ADM for full-time PSEO students fails to recognize that even for such students, the high school counselor and other district staff must commit substantial time on those students' behalf; an equitable funding model would recognize that both the K-12 partner and the postsecondary partner are doing meaningful work to support the student's participation and success.

Multiple stakeholders commented that rural districts are particularly negatively impacted by the PSEO funding formula. Because of the time required for rural students to travel from their community to the nearest postsecondary institution, the only logical way for rural students to participate in PSEO is to be enrolled at least half-day, if not full-day on the college campus. Stakeholders also noted that the loss of ADM particularly impacts rural districts with declining enrollment, in that it negatively impacts economies of scale in staffing teachers and non-instructional services, as well as the breadth of advanced courses high schools can fill with the students who stay onsite.

Due to the combination of travel time to postsecondary institutions and the loss of ADM, stakeholders perceived concurrent enrollment to be the primary source of college courses for high school students, perhaps especially in rural Minnesota. Districts are also looking to AP as an alternative to concurrent enrollment and PSEO due to the negative funding implications of both models. One stakeholder commented that PSEO by contract, which allows the faculty member to deliver a course at the high school or online, can be a better solution for students who want to take a single course or when a high school lacks a teacher credentialed to teach a single course of interest.

Counterpoints from some stakeholders

A handful of stakeholders offered the following counterpoints to arguments against the current PSEO funding model:

- “These aren't *your* kids.” School choice options such as district-level open enrollment codified in state law allow students and families to choose where students will receive educational services. Opponents of the current PSEO funding model argue that some districts are attracting students from other districts by offering more PSEO opportunities, potentially offsetting the financial loss of offering PSEO at volume. Some stakeholders argued that districts shouldn't view students living in their district boundaries as “their” students.
- Districts commonly misunderstand the PSEO funding model. One stakeholder observed that districts sometimes attempt to limit PSEO access because districts are losing significant funding (even for a part-time PSEO student), when in fact districts are

receiving funds for the amount of time a PSEO student is filling a seat in a high school. However, counselor time is not adequately compensated under the current model, and small high schools in particular struggle with economies of scale in staffing the same courses and maintaining the same facilities and supports for fewer students.

- One stakeholder noted: “As we look at things that peck away at why students are leaving rural schools, PSEO is one of the smaller issues. Yet it *is* an issue because the current PSEO funding model is taking money away from K-12 schools to enhance choice.”

Current PSEO funding formula impact on postsecondary institutions

Stakeholders commented that the current funding model creates a net loss not just for school districts, but also for postsecondary partners. For all institution types – two- and four-year, public and private – the state reimbursement is intended to pay for PSEO student tuition, as well as fees, textbooks, course materials, and services offered the student (e.g., disability services, tutoring, etc.)

In practice, PSEO reimbursement fully or nearly covers tuition paid by regularly matriculated students at two-year colleges, but two-year colleges must absorb non-tuition costs. For public and private four-year institutions, the tuition reimbursement is substantially lower than the tuition revenue generated by regularly matriculated students; as such, four-year institutions must absorb not only the non-tuition expenses as their two-year counterparts, but substantial lost tuition revenue as well.

Stakeholders also referenced the fact that some institutions refuse to admit PSEO students to CTE courses with substantial material costs (e.g., photography, culinary, welding), because the expense of covering those materials is cost-prohibitive.

Stakeholders were asked if any state, local K-12 or institution-level stakeholders were in support of the current PSEO funding formula. No stakeholders interviewed championed the current PSEO funding formula; stakeholders added that the present PSEO funding is unpopular across role groups statewide. However, a few stakeholders countered complaints they had heard about the existing PSEO funding formula:

- While postsecondary institutions bemoan lost tuition revenue that PSEO students incur, there’s less revenue loss than institutions complain about if PSEO does in fact fill an empty seat for a course already being offered (unless an institution is offering a course section exclusively for high school students, which goes against the intent of PSEO).
- Related to the above: Institutions creating a cohorted class just for high school students, either through the standard PSEO funding formula or via PSEO by contract in a fully cohorted model, aren’t building upon the original intent of allowing high-achieving students to access spare seats in courses that are already being offered.]

PSEO funding formula impact on students

M.S.A. § 124D.09, Subdivisions 6 and 7, requires students in grades 8-11 and their parents to be provided with information on PSEO a few weeks before they’re eligible to register for courses. In spite of this notification requirement, the majority of stakeholders interviewed noted that some district practices discourage students from PSEO participation by:

- Withholding information about PSEO from students and families, including by sharing information *only* if students or families ask for it
- Not posting PSEO information (or posting outdated PSEO info) on district websites
- Telling students and families that if students participate in PSEO, they cannot access technology or services (e.g., counseling) offered at the high school, participate in student events (e.g., prom), extracurricular activities (student government, sports, etc.), or even go inside the high school building, which goes against state policy.

Multiple stakeholders referenced the Fulda lawsuit filed in 2016 by the family of a Fulda High School student who was taking PSEO courses online and studying in the school library or study hall when not taking online classes. Per a district policy, the student was prohibited from being on the high school campus while not in attendance in high school courses. The case was [dismissed](#) in October 2016 on the grounds that it was “quasi-legislative” (impacting the rights of PSEO students generally) rather than “quasi-judicial” (impacting an individual’s rights).

The legislative session following the resolution of this lawsuit, [M.S.A. § 124D.09](#) was amended to clarify that PSEO students must be allowed to remain at the school site during school hours and must have reasonable access during regular school hours to a computer and other technology resources the student needs to complete PSEO coursework.

- Weighting AP, IB, and concurrent enrollment course grades but not PSEO course grades, which discourages PSEO participation among students seeking to be competitive in college applications, and/or vying to be valedictorian.

Some suggested that districts’ withholding of information or not posting PSEO information may be a holdover from earlier legislation that prohibited programs from marketing PSEO. However, this earlier legislation prohibited postsecondary institutions, not secondary partners, from “[advertising] or otherwise [recruiting] or [soliciting] the participation of” high school students “on financial grounds[.]” The provision was amended in 2012 to permit postsecondary institutions to “advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on educational and programmatic grounds only.”

At least one stakeholder observed that not publicly posting PSEO information may have been an unintentional oversight on the part of districts.

Stakeholders also voiced concerns that:

- Districts sometimes limit the number of 5-credit CTE courses a PSEO student takes due to a misperception that the district cost of such coursework may exceed the student’s actual ADM.
- Free and reduced-price lunch PSEO students on a college campus midday miss out on meals offered by their high school. While some postsecondary institutions operate food pantries, high school students may be ineligible to access the food they offer. One stakeholder suggested that the new funding formula include consideration of how low-income PSEO students will obtain the lunches they would otherwise receive at their high school (e.g., require high schools to maintain contact with institutions to make sure

PSEO students can access meals through the institution's food court, or access meals while on-campus through other avenues).

- PSEO students miss out on the high school culture and experience. One of the aims of PSEO is to provide students with early exposure to the college environment. However, one stakeholder observed that due to differences in students' maturity levels, the college environment may be good for some but not all high school students.
- PSEO students often hold leadership roles in school activities. These students' absence from the high school while they're participating in PSEO at the college campus creates a vacuum in student leadership.

PSEO transportation reimbursement

M.S.A. § 124D.09, Subdivision 22 permits a parent or guardian of a PSEO student whose family income is at or below the poverty level, as determined by the federal government, to apply to the student's school district for a reimbursement for transporting the student to and from the student's home and the postsecondary institution. Since 1992, the statutory reimbursement has been capped at the lesser of the actual cost of transportation or 15 cents per mile, up to 250 miles per week. If the postsecondary institution is more than 25 miles from the student's resident secondary school, the reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school or the pupil's home and the nearest postsecondary institution times 10.

As such, the transportation is exclusively a mileage reimbursement, and does not reimburse other transportation options such as bus passes or ride shares.

Stakeholders noted several issues with the transportation reimbursement:

- The mileage reimbursement amount falls far below the actual cost of transporting a student to and from a college campus.
- Even if families were reimbursed for the actual cost of transporting a student, reimbursement presumes that a family can afford to pay gas expenses and wait for mileage reimbursement.
- The reimbursement process also assumes that families or students have a car available for a student to drive to campus. In other words, even if a family has a car, a parent may have the car at their worksite when their child would need transportation to and from the college campus.
- The transportation reimbursement process is cumbersome: A low-income parent has to request reimbursement from the district; the district in turn requests reimbursement from the Minnesota Department of Education. Even if the reimbursement amount were increased, the process could be made much easier for families.
- In some cases, the reimbursement is underutilized because it is under-advertised.
- There is no state reimbursement for districts or postsecondary partners wanting to transport PSEO students to and from the college campus, another example of the limitations of the policy.

As a result of the above factors, the transportation reimbursement is underutilized. Due to the low volume of requests for PSEO transportation reimbursement, the state appropriation for the PSEO transportation reimbursement dropped from \$20,000 to \$11,000 in FY 2021.

Stakeholders commented that partly due to the transportation reimbursement process, low-income students are underrepresented in PSEO. One stakeholder felt that the combination of transportation and food security are the greatest barriers to PSEO participation among low-income students.

PSEO by contract

As previously mentioned, PSEO by contract allows district and postsecondary partners to establish their own tuition payment systems. PSEO by contract was perceived by some stakeholders to be a win-win for districts and postsecondary partners.

Two stakeholders observed that PSEO by contract agreements usually pay institutions slightly more than the state reimbursement. Another commented that some district administrators prefer PSEO by contract because they have a better line of sight of where district funds are headed; in the words of this stakeholder, districts' ADM loss feels like a loss of control, or a lack of understanding of where the money is going.

However, stakeholders commented that superintendents don't always understand the true cost of making a course available through PSEO. What is more, schools sometimes exclusively assess the cost of fall enrollment in a course, not considering whether they can afford to offer the next-level course in the spring. A funding model that makes the true costs of course delivery clear and that doesn't disincentivize student participation is critical.

Stakeholders were split on whether PSEO by contract is, in reality, more financially advantageous to districts than statutory PSEO model. For example:

- If a student is full time PSEO the school is still retaining 12% of its ADM for the student. One stakeholder asked, "Why would you walk away and potentially have a worse deal with another college?"
- With the advent of contract templates, some stakeholders were unsure on how much flexibility or leverage districts have in negotiating contracts with institutions.
- One stakeholder raised the possibility that PSEO by contract (e.g., in the instance of a large district contracting with a large public institution) could result in the institution reserving PSEO seats for students from the partnering district, making it more difficult for students from smaller districts to access PSEO seats in those same courses.

Advocates of PSEO funding formula

Most stakeholders commented that while anecdotally the PSEO by contract model is increasingly popular, the current PSEO funding formula, in which districts' ADM covers students' PSEO tuition costs, has few advocates. This is because:

- Regardless of district size, districts lose ADM for each course a PSEO student enrolls in.
- Postsecondary institutions also lose funds, some more than others based on the difference between the tuition a regularly matriculated student would pay and the PSEO reimbursement rate plus the textbooks, fees, and course materials costs the postsecondary partner must cover.

Recently proposed alternatives to current PSEO funding model

Stakeholders almost unanimously commented that no state-level stakeholders had presented concrete alternatives to the current PSEO funding model. Rather, state and local stakeholders have expressed concerns about the shortcomings of the current funding model.

Stakeholder responses to select other states' dual enrollment tuition funding models

During each interview, the author of this report provided each stakeholder with a thumbnail sketch of the dual enrollment funding models in Indiana, Idaho and Iowa, and the potential advantages of these programs in supporting equitable student access, participation, and success. These states' dual enrollment funding models were chosen because:

- Dual enrollment students in Idaho and Iowa pay no tuition; Indiana students usually pay no tuition
- Districts are mostly or fully held harmless. In other words, depending on the state and model, districts either do not pay tuition, pay minimal tuition, or receive a partial tuition reimbursement. Districts in these states also receive the same state aid for students enrolled in college courses and traditional high school students
- Indiana, Idaho, and Iowa serve predominantly rural schools; Indiana and Iowa are Midwestern states
- Idaho, Indiana, and Iowa are witnessing growth in dual enrollment participation, including among rural students, and are narrowing participation gaps among low-income and non-low-income students, as well as among students of color and their peers.

Stakeholders were asked to what extent these models might be politically and fiscally feasible to state and local K-12 and postsecondary stakeholders in Minnesota.

Stakeholder feedback suggests that, rather than adopting another state's model wholesale, Minnesota might consider drawing from various features of multiple states' dual enrollment funding models.

Indiana

Indiana's funding model incentivizes students to enroll in – and institutions to offer – general education and select CTE college courses at a public high school, taught by a high school teacher. These courses are referred to as “dual credit” courses (“dual enrollment” courses are college courses offered at the campus and are not covered under this funding model). CTE courses funded under this model are annually approved by the Indiana Department of Education and Indiana Commission for Higher Education, and lead to an industry-recognized credential.

By statute, students in approved CTE courses and low-income students in specified general education courses are charged no tuition. Ivy Tech, the statewide community college system and provider of the majority of dual credit courses statewide, does not charge dual credit students tuition, regardless of family income. Non-low-income students in general education courses offered by providers other than Ivy Tech may be charged no more than \$25 per credit hour; however, in practice many public institutions waive tuition for all dual credit students.

Public two- and four-year institutions are granted an additional weight in each biennial budget based on reported headcount in CTE and specified general education dual credit courses. This additional weight, which in the most recent biennium was roughly \$40 per credit hour, defrays the cost of program administration, including offering professional development to high school instructors of these courses.

Ivy Tech's Ivy+ model for the 2021-22 and 2022-23 academic years covers textbook costs for both matriculated students and dual credit students. For courses offered through other institutions, the entity responsible for textbook costs is determined in the agreement between the K-12 and postsecondary partner.

Stakeholders generally felt the Indiana model was worth exploring. One stakeholder believed K-12 leaders in particular would be very interested in this model.

Stakeholders perceived the Indiana model could work in Minnesota if:

- The ask is framed in the right way. The political environment may change after the November 2022 elections.
- Students are not charged tuition.
- Students aren't capped in the number of courses they can access, and districts or high schools aren't capped in number of students who can participate.
- Transportation isn't a barrier to student participation.
- Homeschool students can also participate, as they can in PSEO in Minnesota.
- Private institutions can also participate. A fair number of private institutions participate in PSEO
- Indiana also considers efficiency of scale in offering a single class to students across multiple high schools and/or districts (in-person or remotely). Rural districts are struggling because of the efficiency issues that small schools face.

However, stakeholders noted the Indiana model could present challenges if Minnesota goes from charging PSEO students no tuition or other course costs, to students paying any cost (e.g., for tuition, textbooks, course fees, materials, etc.)

Idaho

Each public school student in grades 7-12 receives \$4,125 in an [Advanced Opportunities](#) account, which they can use to pay for dual credit tuition; Advanced Placement (AP), International Baccalaureate (IB), College-Level Examination Program (CLEP) or industry-recognized credential exam fees; regionally-approved workforce training courses; or courses, including but not limited to online courses, taken outside the regular school day or school year. Due to geography, most dual credit courses are offered by approved high school instructors, although students may also use Advanced Opportunity funds to complete courses offered at the postsecondary campus or online. Public and private institutions may charge no more than \$75 per credit hour for dual credit courses. Depending upon the local agreement between the K-12 and postsecondary partner, textbooks and fees may be absorbed by the partnering institution, paid by the school district, or charged to the student's family.

The Advanced Opportunities program is supported by an ongoing appropriation. Any funds a student has not used upon high school graduation revert to the general fund.

The Idaho model was the favorite of these options among some stakeholders; for other stakeholders, this was not the preferred model but they felt this model could be palatable in Minnesota, including in part because Minnesota already pays for all public school students' AP and IB exam fees. Stakeholders noted that the funds the state already pays for PSEO, concurrent enrollment, AP, and IB, could be consolidated into a single account families could access for these purposes.

Stakeholders perceived the Idaho model could work in Minnesota:

- If homeschool students can also participate
- If private institutions can also participate
- Because of the precedent in Minnesota to providing parents with public funds for early childhood education expenses. This program has resulted in increased equitable access to quality early childhood education.
- If it is clearly communicated that this is not a reimbursement model requiring families to front tuition costs. A reimbursement model would deter participation among low-income families.
- If there were a cost-benefit analysis of what Minnesota is already paying for PSEO/concurrent enrollment/AP/IB, and how Minnesota's current investment in these opportunities would compare to investment to offer an account to all students.
- It would be a selling point that the unused dollars revert back to the legislative general fund and do not take away money from the general allocation.
- Need to clearly communicate how much money this would be annually in Minnesota since Minnesota has many more students than Idaho.
- State agency leadership could be supportive of this model.

Potential challenges:

- Would need to look at the financial impact, e.g., how much is currently spent on PSEO and AP
- State agencies may be less inclined to adopt this model due to a concern that that level of "backpack funding model" would not close equity gaps and could even exacerbate equity gaps.
- Higher education may be concerned about a potential cut to their reimbursement rate, in the context of Idaho's \$75/credit hour reimbursement rate replacing current reimbursement rate. At Minnesota's FY 23 reimbursement rate of \$679.86 for a three-credit course, \$225 for a three-credit course would reflect a roughly 66% reduction in the current Minnesota reimbursement rate.
- There is a potential that this model restricts access if students exhaust their state funds and want to enroll in more courses.
- This model may be perceived as a quasi-voucher by teachers' unions, or by public postsecondary institutions that this is giving more money to private institutions.

Iowa

Some 97% of college courses delivered to high school students are through the contract model. Per this model codified in [I.C.A. § 261E.8](#), school districts and two-year colleges may enter into partnerships to offer college courses at the high school, online, or at the college campus.

Courses may be CTE or general education courses, and may be delivered at the high school, college, or online; instructors may be approved high school teachers or college faculty.

Tuition costs are borne by the district; the amount of tuition the district pays to the postsecondary partner is determined in the local agreement. The local agreement also dictates who is responsible for textbook and other non-tuition expenses. Districts report enrollment in these contract courses to the state. In the following year, the state funding formula generates an additional weight for the portion of the school day a student was enrolled in college coursework—.7 for CTE courses and .48 for liberal arts courses.

Students from accredited nonpublic schools and homeschool students may access courses delivered through this model. Homeschool and nonpublic school students may enroll in courses through the district in which the nonpublic school is located. A nonpublic school is also authorized to enter into an agreement with a college, as if the nonpublic school were a school district.

- This model was the favorite among some stakeholders because it most closely resembles the PSEO by contract model or because it drives CTE dual enrollment course-taking.
 - Some stakeholders noted that CTE is very popular at this time and receives bipartisan support. A model that recognizes that CTE dual enrollment is more expensive would be beneficial.
- Iowa's model was the second favorite model among some stakeholders
- This model was the least favorite model among some stakeholders because
 - Districts stand to lose some money on this model, unlike the Idaho and Indiana models. Also, institutions could conceivably charge districts different amounts for the same course, unlike in Idaho (although PSEO by contract allows institutions to charge districts different amounts for the same course as well).
- This model could work in Minnesota if:
 - The same funding model were applied regardless of where the course is offered and by whom (faculty member or approved high school teacher)
 - Homeschool students can also participate
 - Private institutions can also participate
 - This were seen as potential long-term solution. Currently there are no weights in Minnesota's student funding formula
- More clarification is needed on:
 - How Iowa arrived at the weighting amounts for liberal art and CTE courses, and how much per-pupil funding districts lose between the cost paid to institutions and the weighted funding districts receive the next legislative funding cycle.
 - How this works when a student takes a course at the college campus (e.g., it could raise some questions if the district is getting a bump even when students go to the college campus)

Conclusion

Minnesota's PSEO program, established in legislation in 1985, was the first state dual enrollment policy in the nation. Initially framed as a program to support general education course options for the most advanced learners and fill empty seats in courses institutions were already offering, the program today increasingly offers both academic and CTE courses to both

middle- and high-achieving students, including in course sections primarily filled with high school students.

Concerns have been raised about the perceived growth in PSEO by contract, as well as the lack of data in the Rigorous Course Taking report documenting the number, geographic location, and background of students enrolled in college courses through PSEO by contract. Feedback gathered from remote interviews with state and local K-12 and postsecondary PSEO stakeholders indicates that most stakeholders were not in favor of the current PSEO formula funding model and were mixed on the benefits and disadvantages of the PSEO by contract model, including the potential negative equity implications of this model. Stakeholders were unanimous that the PSEO transportation reimbursement model for low-income students needs to be revisited, as the model requires families to pay up-front and wait for a negligible reimbursement amount for gas mileage; bus passes and ride shares are not reimbursed under the model.

Stakeholders expressed interest in the Idaho, Indiana, and Iowa models, although they expressed various concerns about each model's potential negative impact to students and families, districts, and postsecondary institutions. No state's model was a clear winner among stakeholders. Should Minnesota opt to select a new PSEO funding model, the state might consider specific components of each of these or other states' models, to continue aspects of the current PSEO model that stakeholders and Minnesotans value – namely, that students do not pay for tuition, textbooks, or fees; private and home schooled students may participate; public four-year institutions and private institutions may participate; and, depending on the agreement with the partnering institution, students might be able to access both CTE and general education courses and not have caps on the number of credits they can complete through PSEO.