

PSEO Programs: Finance and Classification

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Minnesota's extensive dual enrollment programs¹ (programs that allow a student to receive high school and college course credit for the same class) have evolved over the last 40 years since the postsecondary enrollment options (PSEO) program was first passed by the legislature in 1985. While there is not universal agreement on the terminology, it may be easiest to classify Minnesota's dual enrollment programs as one of three different types:

- 1) traditional PSEO;
- 2) Courses According to an Agreement (CAA); and
- 3) concurrent enrollment programs (like College in the Schools).

The following is a brief description of each style of PSEO program, a list of student eligibility and choice, a description of the instructor, and a summary of how the program is funded.

1. Traditional PSEO

Under the traditional PSEO program, an eligible student leaves the high school and takes a college course taught by a member of the college faculty on the campus of a qualifying postsecondary institution (PSI). In some cases, the student may take the college course online directly from the PSI.

- A. **Student Eligibility.** All 11th and 12th grade Minnesota pupils (public, nonpublic, and homeschool students), and some Minnesota pupils in 10th grade who have achieved proficiency on the 8th grade Minnesota Comprehensive Assessments (MCAs) and first enroll in a career and technical course at the PSI, may apply to a PSI in order to participate in the traditional PSEO program. A student may participate part-time or full-time in the traditional PSEO program. A public high school may not prohibit a student from participating in the traditional PSEO program.
- B. **Qualifying PSI.** A qualifying PSI means: a Minnesota public postsecondary institution (University of Minnesota or Minnesota State (formerly MnSCU) institution); a private, residential, two- or four-year, liberal arts, degree-granting college or university with a physical presence in Minnesota (e.g., Bethel University); a nonprofit two-year trade and technical school granting an associate degree (e.g., Dunwoody); or an accredited opportunities industrial center (e.g., Summit Academy OIC). A qualifying PSI sets its own admission requirements for high school students, may choose to limit the number of PSEO students who may enroll in its programs, and may limit the course offerings available to the high school students.
- C. **Course Instructors.** Traditional PSEO courses are taught by the PSI's regular faculty through courses available to the PSI's regular college students as well.

¹ For a more detailed description of dual enrollment programs, see the MDE document "Postsecondary Enrollment Options (PSEO) Reference Guide" updated August 2021, on MDE's website:
https://education.mn.gov/mdeprod/idcplg?IdcService=GET_FILE&dDocName=MDE058445&RevisionSelectionMethod=latestReleased&Rendition=primary.

- D. **PSEO Funding.** Under the traditional PSEO program, for a full-time PSEO student, 88 percent of the basic general education revenue is paid by the Minnesota Department of Education (MDE) directly from the state to the PSI. The public school district in turn counts the student as 0.12 pupils in average daily membership across all school funding formulas. The remaining money that would otherwise follow the student (88 percent of all school funding formulas other than the basic general education revenue) is “saved” by the state. For nonpublic pupils (traditional and home school), there is no residual payment to the school district of residence—the state simply pays 88 percent of the basic general education revenue directly to the PSI. For each part-time PSEO pupil, the district receives a proportionate share of the total school revenue attributable to that pupil, based on the amount of time that the PSEO pupil attends the high school. The state basic formula payment to the PSI is converted from the general education basic formula allowance to a standard rate per credit hour. For fiscal year 2025, this equals \$241.33 for each semester hour ($[(88\% \times (\$7,281 - \$425) \times 1.2]/30$). The payment to the PSI may not exceed the lesser of the actual tuition at the college or the standard rate per credit hour.
- E. **Program Participation.** For fiscal year 2022, 7,955 public school pupils, 1,454 nonpublic pupils, and 1,780 homeschool pupils attended classes at a PSI taking a total of 181,863 credits, and the state aid payments directly to the PSIs through the traditional PSEO funding formula amounted to \$41.317 million. While pupil counts are not yet available, for fiscal year 2024, the state paid \$48.6 million directly to the PSIs for traditional PSEO students.

2. Courses According to Agreement

An alternative form of PSEO occurs when the school district and the PSI enter into a contract for services for a dual enrollment course. Until recently, Courses According to an Agreement (CAAs) were not uniformly defined or tracked by the state. Each CAA course is governed by the specific agreement signed by the school district and the PSI. CAA courses are offered at a high school, or another designated location, as specified in an agreement between a public school board and the governing body of an eligible postsecondary institution (see Minn. Stat. § 124D.09, subd. 10). Funding between the district and the postsecondary institution is part of the contract.

- A. **Student eligibility.** Traditional PSEO student eligibility applies to CAA courses, although because the courses may be at the high school, scheduling may be handled differently than under traditional PSEO.
- B. **Qualifying PSI.** The same PSIs qualify as under traditional PSEO.
- C. **Course Instructors.** The course instructors are specified according to the agreement and may be either high school instructors or college instructors.
- D. **Funding.** The state does not specify the funding arrangement for CAA. The student is still counted for funding according to the regular school funding formulas and the state provides the funding to the school district. The school district and PSI then contract for the CAA and may use an online calculator developed by MDE to determine the financial

benefits for both parties compared to traditional PSEO. The district pays the PSI the amount specified in the CAA contract.

- E. **Program participation.** Statewide reporting for CAAs was recently required, but as of yet, no data has been released on CAA participation.

3. Concurrent Enrollment

In 1992, the legislature specifically authorized public schools and PSIs to provide PSEO courses taught in the high school. These programs are sometimes referred to as concurrent enrollment programs or by the program name of the institution offering the course (e.g., College in the Schools–University of Minnesota; Seniors to Sophomores (S2S)–St. Cloud State; Program for Advanced College Credit–St. Mary’s University, etc.).

- A. **Student eligibility.** In addition to 11th and 12th grade students and 10th grade students who have taken a career and technical course, public school 9th and 10th grade pupils may participate in a qualifying world language course or another concurrent enrollment course subject to space limitations and the agreement with the partnering PSI. A high school may limit a student’s admission to a concurrent enrollment course.
- B. **Qualifying PSI.** The same PSIs as qualify under traditional PSEO.
- C. **Course Instructors.** Instructors in Concurrent Enrollment programs are most often appropriately credentialed high school teachers specially trained by the sponsoring postsecondary institution to teach the course using curriculum developed or approved by faculty at the PSI.
- D. **Funding.** Under a concurrent enrollment course agreement with a partnering institution, the funding for a participating student is the same as for any other high school student at the school and the aid amounts are paid by MDE directly from the state to the school district. Additionally, if the course qualifies as a concurrent enrollment course, the public school will receive a small amount of additional aid under the concurrent enrollment aid formula. The contract with the PSI determines how much revenue the school district pays to the PSI for the teacher training, curriculum, and support, and the contract also specifies whether the course will be taught by a college instructor or a high school teacher.
- E. **Program Participation.** For fiscal year 2022, 32,505 students participated in the concurrent enrollment program taking a total of 75,581 college credit-bearing courses.



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