

Submitted: July 24, 2007 (revised from July 16, 2007)

Approved: August 20, 2007

**Recommendation #10: Offsetting expenses associated with the Post-Secondary Education Opportunity Act with tuition revenue**  
**Issue number: T-05**

***Background***

Post-Secondary Education Opportunity Act (PSEOA) was enacted to provide an opportunity for high school students to take advanced course work at a post secondary institution when that course is not offered at their high school. An example of this would be a student that enrolls at Iowa State to take a calculus class that is not offered at their high school. The act requires that the school district of the high school student reimburse the college or university the lesser of:

- The actual and customary costs of tuition, textbooks, materials, and fees directly related to the course taken by the eligible student/
- Two hundred fifty dollars.

Traditionally, there have been approximately 200 high school students that enroll in this program at Iowa State University each term. The Iowa State program is administered by the Office of the Registrar. The costs of the textbooks for these courses are charged to the Office of the Registrar. The students are required to return the books and are charged 75% of the original cost of the books if they are not returned.

Courses associated with this program are also offered through the Continuing and Distance Education (CDE) office. The tuition assessed for these students is outside the General Fund and the service fee charged by the CDE office is applied against the tuition before it is distributed to the department offering the course.

In fiscal year 2006, the revenue generated from the program was \$48,445 and the expense was \$27,853. For fiscal year 2007 the revenue generated was \$72,009 and the expense was \$31,620.

***Recommendation***

Because the participation in the PSEOA program is a state mandated requirement, the tuition revenue collected and the offsetting costs (i.e. textbooks) associated with the PSEOA program should be managed centrally. The tuition revenue collected and the offsetting costs associated with the program (i.e. textbooks) would be pooled centrally during the year and any net revenue (or expenses) within this pool at the end of the fiscal year would be included in the final SCH tuition pool and distributed based on the RMM student credit hour distribution methodology.