

1 **High School Equivalency Subsidy Voucher Distribution**
2 **for Fiscal Year 2023**
3 **Discussion Paper**

4 **Background**

5 House Bill 1525, 87th Texas Legislature, Regular Session (2021), amended Texas Education
6 Code (TEC) §48.302, Subsidy for High School Equivalency Examination for Certain
7 Individuals. TEC §48.302 requires the Texas Education Agency (TEA) to enter into a
8 memorandum of understanding with the Texas Workforce Commission (TWC) when
9 transferring funds to subsidize the cost of a high school equivalency (HSE) exam for individuals
10 who are age 21 or older. On November 1, 2021, TEA and TWC entered into an interagency
11 contract, enabling TEA to transfer \$750,000 to TWC for this program during each fiscal year of
12 the 2022–2023 biennium.

13 Only one vendor of the HSE exam, GED Testing Service (provider of the GED exam), is
14 approved by the State Board of Education to operate in Texas, and test takers who pass the HSE
15 exam are issued a State of Texas Certificate of High School Equivalency (TxCHSE). Each GED
16 exam, or the complete battery of the exam, is made up of four individual tests, one in each of the
17 following subjects: mathematics, science, social studies, and language arts. Individual test fees
18 are \$16.25 for retake tests, \$36.25 for computer-based tests at a GED testing center, or \$42.25
19 for an online-proctored test, with the GED battery fees at \$145 or \$169.

20 TWC Chapter 805 Adult Education and Literacy rules, Subchapter E, describes how TWC must
21 implement the HSE subsidy program, including:

- 22 • prioritizing the subsidy first to current or former AEL participants within 365 days of
23 AEL program exit and, second, to other eligible subsidy recipients;
- 24 • approving an initial voucher allotment to AEL grant recipients based on the recipients’
25 HSE test-taking data; and
- 26 • managing the distribution of HSE vouchers locally by AEL grant recipients.

27 **Issue 1: Initial Voucher Allotment**

28 Section 805.73 requires TWC’s three-member Commission (Commission) to approve an initial
29 HSE voucher allotment for an AEL grant recipient based on the recipient’s HSE test-taking data
30 by September 1 of each year. This rule also requires AEL grant recipients to manage the local
31 distribution of vouchers to eligible recipients.

32 The methodology used for the proposed initial voucher distribution to the 37 AEL grant
33 recipients in Fiscal Year 2023 (FY’23), as shown in Table 1, considers individual HSE test-
34 taking data, of those 21 years and older, for those grant recipients from February 2019 to
35 February 2020. A percentage share is calculated based on the number of distributable vouchers
36 for FY’22, using the highest cost for an individual GED test (\$42.25) and an initial statewide
37 allotment of \$325,000.

1 Additionally, staff has identified an opportunity to support the virtual HSE initiative, approved
 2 by the Commission on September 28, 2021, making HSE vouchers available to Texas Tech
 3 University (TTU) and the University of Texas at Austin (UT Austin). Participants in this
 4 initiative may use the subsidy toward earning a TxCHSE. UT Austin and TTU may request
 5 vouchers as needed from TWC.

6 The initial statewide allotment of vouchers by AEL grant recipient totals an estimated \$325,000,
 7 as shown in Table 1.

8 **Table 1: HSE Voucher Distribution to AEL Grant Recipients**

Grant Recipient Name	Total HSE Tests (Feb '19–Feb '20)	Estimated Value of Initial Voucher Disbursement
Houston-Galveston Area Council	20.94%	\$68,051
Dallas County LWDB	10.03%	\$32,605
Region 20 ESC	8.60%	\$27,965
Ysleta ISD	6.03%	\$19,584
Tarrant County LWDB	5.58%	\$18,146
Region 1 ESC	5.27%	\$17,121
Austin Community College	4.24%	\$13,794
Literacy Council of Tyler	3.46%	\$11,258
Brownsville ISD	2.67%	\$8,668
Community Action Inc.	2.65%	\$8,596
Amarillo College	2.47%	\$8,039
Midland College	2.13%	\$6,924
New Denton ISD	2.01%	\$6,546
Region 2 ESC	1.94%	\$6,294
Region 17 ESC, South Plains	1.91%	\$6,222
Abilene ISD	1.90%	\$6,186
Howard College, Concho Valley	1.84%	\$5,971
Victoria College	1.45%	\$4,712
Southwest Texas Junior College	1.31%	\$4,262
Region 5 ESC	1.28%	\$4,154
Temple College	1.27%	\$4,118
Odessa College	1.25%	\$4,064
McLennan Community College	1.18%	\$3,849
Angelina College	1.00%	\$3,237

Grant Recipient Name	Total HSE Tests (Feb '19–Feb '20)	Estimated Value of Initial Voucher Disbursement
Brazos Valley COG	1.00%	\$3,237
Region 9 ESC	0.99%	\$3,201
Navarro College	0.83%	\$2,698
Grayson College–Texoma	0.79%	\$2,572
Laredo College	0.74%	\$2,410
Paris Junior College– Northeast Texas	0.60%	\$1,942
Texarkana College	0.53%	\$1,708
Grayson College–North Central	0.51%	\$1,673
Central Texas College	0.42%	\$1,367
Weatherford ISD	0.40%	\$1,295
Howard College, Permian Basin	0.32%	\$1,025
Region 17 ESC, Permian Basin	0.29%	\$935
Paris Junior College–North Central	0.17%	\$558
TTU	--	TBD, as requested
UT Austin	--	TBD, as requested
TOTAL	100.00%	\$324,987

1 **Issue 2: Plan for Distributing Vouchers**

2 Section 805.73 states that TWC may provide the subsidy to eligible HSE subsidy recipients
3 based on a plan approved by the Commission. Staff requests that the plan:

- 4 • provide flexibility to TWC staff in distributing the remaining vouchers—with an
5 estimated value of \$425,000—for FY’23 to AEL grant recipients, as needed, to ensure
6 efficient use of available subsidies by August 31, 2023; and
- 7 • permit AEL grant recipients to develop local policies related to the distribution of
8 subsidies to individuals who are not current or former AEL program participants, using
9 the individuals’ test-readiness to access the subsidy.

10 **Decision Point**

11 Staff seeks direction on implementing the HSE subsidy program authorized under TEC §48.302
12 by:

- 1 • approving an initial allotment of HSE vouchers estimated at \$325,000 to AEL grant
2 recipients, which includes the TTU and UT Austin virtual provider programs, as shown
3 in Table 1; and
- 4 • approving the plan described in Issue 2, which allows:
 - 5 ➤ staff to distribute remaining vouchers to AEL grant recipients in FY'23 to ensure
6 efficient usage of vouchers; and
 - 7 ➤ AEL grant recipients to develop local policies to distribute HSE vouchers to
8 individuals who are not current or former AEL program participants.