

1 **High School Equivalency Subsidy Voucher Distribution**  
2 **Discussion Paper**

3 **Background**

4 House Bill (HB) 3 §1.046, enacted by the 86th Texas Legislature, Regular Session (2019), added  
5 new Texas Education Code §48.302, Subsidy for High School Equivalency Examination for  
6 Certain Individuals. This legislation required the Texas Education Agency (TEA) to enter into a  
7 memorandum of understanding with the Texas Workforce Commission (TWC) when  
8 transferring funds to subsidize the cost of a high school equivalency (HSE) exam for individuals  
9 who are 21 years of age or older. It also required TWC to develop rules addressing program  
10 implementation and eligibility requirements for this HSE subsidy program. TEA appropriated  
11 \$750,000 each fiscal year of the 2020–2021 biennium for this program, and on February 10,  
12 2020, TEA and TWC entered into an interagency contract to transfer the funds.

13 On March 31, 2020, TWC’s three-member Commission (Commission) approved a policy  
14 concept for rule development that adds Subchapter E, High School Equivalency Subsidy  
15 Program, to TWC Chapter 805 Adult Education and Literacy rules. The new subchapter outlines  
16 the HSE subsidy program implementation and eligibility requirements. The proposed rules in  
17 this new subchapter, as presented in the policy concept, describe how the subsidy program will  
18 prioritize eligible individuals participating in the AEL program and outline the voucher  
19 distribution process to AEL grant recipients. (A voucher, as used in this program, refers to a  
20 paper-based or electronic voucher given to an eligible individual to pay for taking an individual  
21 HSE test.) Staff anticipates the final rules to be adopted in winter of 2020.

22 Currently, two vendors of the HSE exam, GED Testing Service (GED exam) and ETS (HiSET  
23 exam), are approved by the State Board of Education to operate in Texas, and test takers who  
24 pass these exams are issued a State of Texas Certificate of High School Equivalency. Each HSE  
25 exam, or the complete battery of the exam, comprises individual tests. The HiSET exam is  
26 composed of five tests, while the GED exam contains four tests. The individual tests correspond  
27 to the subject areas of mathematics, science, social studies, and language arts. (The HiSET exam  
28 contains two language arts tests.)

29 The total cost for an individual HiSET and GED test varies because of cost differences for the  
30 base cost of an individual test and its test administration delivery (such as paper-based, online- or  
31 remote-proctored, or computer-based tests) and state administrative and test center fees. For  
32 these reasons, the total cost for an individual test may vary from \$25.75 to \$36.25, and total  
33 exam fees, meaning a complete battery, range from \$128.75 to \$145.

34 Because of the impact that the COVID-19 pandemic had on closing many high school  
35 equivalency testing centers statewide, both GED Testing Service and ETS have been phasing in  
36 online and remote proctoring options in Texas. As AEL providers and test takers adapt to these

1 new test-taking formats and await the full reopening of testing centers, it is likely that the  
 2 number of HSE tests taken across the state will vary greatly when compared to recent years.

3 **Issue 1**

4 The proposed rules under new Subchapter E require the Commission to approve an initial HSE  
 5 voucher allotment for an AEL grant recipient based on the recipient’s HSE test-taking data by  
 6 September 1 each year. The proposed rules allow for the Commission to approve an adjustment  
 7 of this voucher allotment midyear, or any other time, based on voucher usage and demand.

8 The methodology used for the proposed initial voucher distribution, as shown in Table 1,  
 9 considers individual HSE test-taking data for the 37 AEL grant recipients from February 2019 to  
 10 February 2020. A percentage share is calculated from the total number of distributable vouchers  
 11 for Fiscal Year 2020, using the highest cost for an individual test, \$36.25, and a maximum  
 12 statewide allotment of \$750,000 for the fiscal year.

13 Because the proposed rules for this subsidy program provide the Commission with flexibility to  
 14 adjust this voucher allotment at another time, TWC staff will monitor the voucher usage to  
 15 recommend any future distribution changes.

16 *Table 1: HSE Voucher Distribution*

Grantee #	Grantee Name	*Total HSE Tests (Feb '19-Feb '20)	% of Total HSE Tests (Feb '19-Feb '20)	Number of Vouchers to be Distributed	Estimated Value of Initial Voucher Disbursement (\$)
502	Amarillo College	580	2.5%	512	\$18,560
526	Region 17 ESC, South Plains	443	1.9%	391	\$14,174
528	Region 9 ESC	250	1.1%	221	\$8,011
533	Weatherford ISD	102	0.4%	90	\$3,263
540	Navarro College	218	0.9%	193	\$6,996
541	Paris Jr College - North Central	48	0.2%	42	\$1,523
546	New Denton ISD	503	2.1%	444	\$16,095
547	Grayson College - North Central	119	0.5%	105	\$3,806
538	Tarrant County WDB	1,319	5.6%	1165	\$42,231
509	Dallas County LDB	2,239	9.6%	1977	\$71,666
523	Paris Junior College, Northeast Texas	168	0.7%	148	\$5,365

Grantee #	Grantee Name	*Total HSE Tests (Feb '19-Feb '20)	% of Total HSE Tests (Feb '19-Feb '20)	Number of Vouchers to be Distributed	Estimated Value of Initial Voucher Disbursement (\$)
543	Texarkana College	128	0.5%	113	\$4,096
519	Literacy Council of Tyler	909	3.9%	803	\$29,109
501	Abilene ISD	501	2.1%	442	\$16,023
544	Ysleta ISD	1,207	5.2%	1066	\$38,643
517	Howard College, Permian Basin	72	0.3%	64	\$2,320
525	Region 17 ESC, Permian Basin	81	0.3%	72	\$2,610
539	Midland College	494	2.1%	436	\$15,805
545	Odessa College	393	1.7%	347	\$12,579
516	Howard College, Concho Valley	370	1.6%	327	\$11,854
520	McLennan Community College	292	1.2%	258	\$9,353
504	Austin Community College	1,107	4.7%	978	\$35,453
508	Community Action Inc.	722	3.1%	638	\$23,128
505	Brazos Valley COG	271	1.2%	239	\$8,664
503	Angelina College	282	1.2%	249	\$9,026
527	Region 5 ESC	302	1.3%	267	\$9,679
532	Victoria College	353	1.5%	312	\$11,310
512	Region 20 ESC	1,908	8.1%	1685	\$61,081
518	Laredo College	166	0.7%	147	\$5,329
542	Region 2 ESC	512	2.2%	452	\$16,385
524	Region 1 ESC	1,035	4.4%	914	\$33,133
506	Brownsville ISD	612	2.6%	541	\$19,611
514	Grayson College - Texoma	243	1.0%	215	\$7,794
534	Central Texas College	115	0.5%	101	\$3,661
535	Temple College	349	1.5%	308	\$11,165

Grantee #	Grantee Name	*Total HSE Tests (Feb '19-Feb '20)	% of Total HSE Tests (Feb '19-Feb '20)	Number of Vouchers to be Distributed	Estimated Value of Initial Voucher Disbursement (\$)
530	Southwest Texas Junior College	309	1.3%	273	\$9,896
515	Houston-Galveston Area Council	4,703	20.1%	4154	\$150,583
	<b>Statewide</b>	<b>23,425</b>	<b>100%</b>	<b>20,689</b>	<b>\$749,976</b>

1 \*These data show the number of individuals who took at least one domain (component) of an  
2 HSE test per month by grantee from February 2019 to February 2020. These individuals may or  
3 may not be current AEL participants. Orphan grantee tests totals were added to current,  
4 corresponding grantee test totals.

5 **Issue 2**

6 The proposed rules under new Subchapter E state that TWC will prioritize subsidies for current  
7 or former AEL program participants. The proposed rules also state that subsidies may go to  
8 individuals who are eligible to receive a subsidy but are not current or former AEL participants.  
9 Because AEL grant recipients will manage the voucher distribution to eligible subsidy recipients,  
10 staff recommends that TWC provide AEL grant recipients flexibility to develop local policies  
11 related to the distribution of subsidies to individuals who are not current or former AEL  
12 participants.

13 **Decision Point**

14 Staff seeks direction on:

- 15 • distributing HSE vouchers, as shown in Table 1, to implement the HSE subsidy program  
16 required under HB 3; and
- 17 • allowing AEL grant recipients to develop local policies related to the distribution of  
18 subsidies to individuals who are not current or former AEL participants, as outlined in  
19 proposed rules Chapter 805, Subchapter E, High School Equivalency Subsidy Program,  
20 as presented in the policy concept.