

1 **CHAPTER 805. ADULT EDUCATION AND LITERACY**

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3 **PROPOSED RULES WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS***  
4 ***REGISTER*. THIS DOCUMENT WILL NOT HAVE ANY SUBSTANTIVE**  
5 **CHANGES BUT IS SUBJECT TO FORMATTING CHANGES AS REQUIRED**  
6 **BY THE *TEXAS REGISTER*.**

7  
8 The Texas Workforce Commission (TWC) proposes the following new subchapter to  
9 Chapter 805, relating to Adult Education and Literacy:

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11 Subchapter E. High School Equivalency Subsidy Program, §§805.71 - 805.73

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13 **PART I. PURPOSE, BACKGROUND, AND AUTHORITY**  
14 **PART II. EXPLANATION OF INDIVIDUAL PROVISIONS**  
15 **PART III. IMPACT STATEMENTS**  
16 **PART IV. COORDINATION ACTIVITIES**

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18 **PART I. PURPOSE, BACKGROUND, AND AUTHORITY**

19 The purpose of the proposed Chapter 805 rule change is to create new Subchapter E,  
20 High School Equivalency Subsidy Program, which outlines the program implementation  
21 and eligibility requirements of a high school equivalency subsidy program required under  
22 House Bill (HB) 3 §1.046, enacted by the 86th Texas Legislature, Regular Session  
23 (2019). HB 3 adds new §48.302, Texas Education Code, titled "Subsidy for High School  
24 Equivalency Examination for Certain Individuals" and requires the Texas Education  
25 Agency (TEA) to enter into a memorandum of understanding (MOU) with TWC when  
26 transferring funds to provide a subsidy for the cost of a high school equivalency exam for  
27 individuals who are 21 years of age or older. It also requires TWC to develop rules  
28 addressing program implementation and eligibility requirements for this subsidy  
29 program. TEA appropriated \$750,000 each year of the 2020 - 2021 biennium for this  
30 program.

31  
32 In early 2020, TEA and TWC worked with the two high school equivalency test  
33 publishers approved to operate in Texas, Pearson for the GED and ETS for the HiSET, to  
34 create a process that would be administratively efficient for programs managing the  
35 distribution of the subsidy at the local level to eligible and test-ready individuals. On  
36 February 10, 2020, TEA and TWC entered into an interagency contract to transfer funds  
37 to TWC to implement this program. While TWC moved forward to develop rules, the  
38 COVID-19 pandemic impacted TWC's ability to implement the program.

39  
40 On May 8, 2020, TWC submitted a letter to the Legislative Budget Board requesting that  
41 any unexpended and unobligated funds for the subsidy program from the current fiscal  
42 year be transferable to the next fiscal year, beginning September 1, 2020. In this request,  
43 TWC noted that the reasons it had been unable to expend funding for this program were  
44 the lack of remote testing options from Pearson and ETS (both of which were in the early  
45 stages of implementing remote testing guidelines) and the closures of most high school  
46 equivalency testing centers and their unknown future reopening status. Additionally,

1 TWC noted that all appropriated funds for the subsidy program would be fully obligated  
2 by the end of the biennium.

3  
4 On March 31, 2020, TWC's three-member Commission (Commission) approved a policy  
5 concept for the required rule development for both the performance-based funding  
6 criteria and the high school equivalency subsidy program. This policy concept included  
7 proposed rule language for the Commission's future consideration and was posted in the  
8 *Texas Register* for 30 days for public comment. TWC received comments from two  
9 commenters.

10  
11 A separate proposed rulemaking amending TWC Chapter 800 General Administration  
12 rules, Subchapter F, Interagency Matters, describes the interagency contract adopted by  
13 TEA and TWC for the high school equivalency subsidy program.

## 14 **PART II. EXPLANATION OF INDIVIDUAL PROVISIONS**

15  
16 The comments noted in this section reflect those received from one of two commenters during the  
17 comment period of April 10, 2020, through May 11, 2020.

### 18 **SUBCHAPTER E. HIGH SCHOOL EQUIVALENCY SUBSIDY PROGRAM**

#### 19 **TWC proposes new Subchapter E:**

##### 20 **§805.71. Purpose**

21  
22 New §805.71 describes the purpose of the high school equivalency subsidy program.

##### 23 **§805.72. Definitions**

24  
25 New §805.72 provides a list of terms and definitions regarding the high school  
26 equivalency subsidy program.

##### 27 **§805.73. Implementation**

28  
29 New §805.73 gives direction on how TWC will manage and implement this subsidy  
30 program via AEL grant recipients and how it will prioritize eligible individuals  
31 participating in the AEL program to receive this subsidy.

32  
33  
34 **Comment 1:** One comment was about the documentation requirements for  
35 confirming eligibility for individuals receiving the subsidy and noted concern for  
36 the possibility of individuals using different names and documentation to receive  
37 additional benefits from the subsidy.

38  
39 **Response 1:** TWC has considered this comment and will release guidance on how  
40 an AEL grant recipient can confirm the eligibility of an individual, as defined by  
41 "eligible individual" in proposed §805.72.

42  
43 **Comment 2:** One comment noted that as grant recipients are required to  
44 determine an individual's preparedness to take a high school equivalency test,  
45 additional guidelines are needed; otherwise, the rule should explain that grant  
46 recipients are not responsible for a high test-failure rate.

1           **Response 2:** The proposed rule does not indicate that there are performance  
2 measures related to the subsidy program, as this is not required by the legislation.

3  
4           **Comment 3:** One comment noted that the timing of a midyear evaluation of the  
5 subsidy distribution to grant recipients may not accurately address the true  
6 demand of test takers.

7  
8           **Response 3:** Proposed rule §805.73(b) states that TWC staff may indicate a time  
9 other than midyear to adjust the distribution of vouchers statewide for  
10 Commission approval.

### 11 12 **PART III. IMPACT STATEMENTS**

13 Chris Nelson, Chief Financial Officer, has determined that for each year of the first five  
14 years the rules will be in effect, the following statements will apply:

15  
16 There are no additional estimated costs to the state and to local governments expected as  
17 a result of enforcing or administering the rules.

18  
19 There are no estimated cost reductions to the state and to local governments as a result of  
20 enforcing or administering the rules.

21  
22 There are no estimated losses or increases in revenue to the state or to local governments  
23 as a result of enforcing or administering the rules.

24  
25 There are no foreseeable implications relating to costs or revenue of the state or local  
26 governments as a result of enforcing or administering the rules.

27  
28 There are no anticipated economic costs to individuals required to comply with the rules.

29  
30 There is no anticipated adverse economic impact on small businesses, microbusinesses,  
31 or rural communities as a result of enforcing or administering the rules.

32  
33 Based on the analyses required by Texas Government Code §2001.024, TWC has  
34 determined that the requirement to repeal or amend a rule, as required by Texas  
35 Government Code §2001.0045, does not apply to this rulemaking.

#### 36 37 Takings Impact Assessment

38 Under Texas Government Code, §2007.002(5), "taking" means a governmental action  
39 that affects private real property, in whole or in part or temporarily or permanently, in a  
40 manner that requires the governmental entity to compensate the private real property  
41 owner as provided by the Fifth and Fourteenth Amendments to the United States  
42 Constitution or the Texas Constitution, §17 or §19, Article I, or restricts or limits the  
43 owner's right to the property that would otherwise exist in the absence of the  
44 governmental action, and is the producing cause of a reduction of at least 25 percent in  
45 the market value of the affected private real property, determined by comparing the  
46 market value of the property as if the governmental action is not in effect and the market

1 value of the property determined as if the governmental action is in effect. The  
2 Commission completed a Takings Impact Analysis for the proposed rulemaking action  
3 under Texas Government Code, §2007.043. The primary purpose of this proposed  
4 rulemaking action, as discussed elsewhere in this preamble, is to develop rules addressing  
5 the implementation and eligibility requirements of the high school equivalency program  
6 administered by TWC with funds transferred by TEA for this purpose.

7  
8 The proposed rulemaking action will not create any additional burden on private real  
9 property. The proposed rulemaking action will not affect private real property in a  
10 manner that would require compensation to private real property owners under the United  
11 States Constitution or the Texas Constitution. The proposal also will not affect private  
12 real property in a manner that restricts or limits an owner's right to the property that  
13 would otherwise exist in the absence of the governmental action. Therefore, the proposed  
14 rulemaking will not cause a taking under Texas Government Code, Chapter 2007.

15  
16 Government Growth Impact Statement

17 TWC has determined that during the first five years the proposed amendments will be in  
18 effect:

- 19 --the proposed amendments will not create or eliminate a government program;
- 20 --implementation of the proposed amendments will not require the creation or elimination  
21 of employee positions;
- 22 --implementation of the proposed amendments will not require an increase or decrease in  
23 future legislative appropriations to TWC;
- 24 --the proposed amendments will not require an increase or decrease in fees paid to TWC;
- 25 --the proposed amendments will not create a new regulation;
- 26 --the proposed amendments will not expand, limit, or eliminate an existing regulation;
- 27 --the proposed amendments will not change the number of individuals subject to the  
28 rules; and
- 29 --the proposed amendments will not positively or adversely affect the state's economy.

30  
31 Economic Impact Statement and Regulatory Flexibility Analysis

32 TWC has determined that the proposed rule will not have an adverse economic impact on  
33 small businesses or rural communities, as the proposed rules place no requirements on  
34 small businesses or rural communities.

35  
36 Mariana Vega, Director of Labor Market and Career Information, has determined that  
37 there is no significant negative impact upon employment conditions in the state as a result  
38 of the rules.

39  
40 Courtney Arbour, Director, Workforce Development Division, has determined that for  
41 each year of the first five years the rules are in effect, the public benefit anticipated as a  
42 result of enforcing the proposed rules will be to provide a subsidy to eligible individuals  
43 for the cost of a high school equivalency exam who may otherwise have to pay for such a  
44 cost out-of-pocket, enabling such individuals to obtain a Texas Certificate of High School  
45 Equivalency (TxCHSE) certificate.

1 TWC hereby certifies that the proposal has been reviewed by legal counsel and found to  
2 be within TWC's legal authority to adopt.

3  
4 **PART IV. COORDINATION ACTIVITIES**

5 In the development of these rules for publication and public comment, TWC sought the  
6 involvement of Texas' 28 Local Workforce Development Boards (Boards). TWC  
7 provided the concept paper regarding these rule amendments to the Boards for  
8 consideration and review on March 31, 2020. TWC also conducted a conference call with  
9 Board executive directors and Board staff on April 10, 2020, to discuss the concept  
10 paper. In addition, TWC conducted a conference call with AEL grant recipients and  
11 providers on April 2, 2020, and on May 7, 2020, and then on April 10, 2020, with Board  
12 executive directors and Board staff, to discuss the concept paper and comment period.  
13 Additionally, information on the concept paper and comment period were posted on the  
14 TWC rules web page and on the Texas Center for the Advancement of Literacy &  
15 Learning website, which is the website managed by Texas' AEL's professional  
16 development organization. During the rulemaking process, TWC considered all  
17 information gathered in order to develop rules that provide clear and concise direction to  
18 all parties involved.

19  
20 Comments on the proposed rules may be submitted to  
21 [TWCPolicyComments@twc.state.tx.us](mailto:TWCPolicyComments@twc.state.tx.us). Comments must be received no later than 30  
22 days from the date this proposal is published in the *Texas Register*.

23  
24 The rules are proposed under Texas Labor Code §301.0015 and §302.002(d), which  
25 provide TWC with the authority to adopt, amend, or repeal such rules as it deems  
26 necessary for the effective administration of TWC services and activities.

27  
28 The proposed rules affect Title 4, Texas Labor Code, particularly Chapters 301 and 302.  
29

1                   **CHAPTER 805. ADULT EDUCATION AND LITERACY**

2  
3                   **SUBCHAPTER E. HIGH SCHOOL EQUIVALENCY SUBSIDY PROGRAM**

4                   **§805.71. Purpose.**

5                   The purpose of the high school equivalency subsidy program, as provided in an  
6                   interagency contract between the Texas Education Agency (TEA) and the  
7                   Agency, is to provide subsidized high school examination fees to eligible  
8                   individuals.

9  
10                  **§805.72. Definitions.**

11                  The following words and terms, when used in this subchapter, shall have the  
12                  following meanings, unless the context clearly indicates otherwise.

13                  (1) "Eligible high school equivalency subsidy recipient" means a Texas  
14                  resident who is 21 years of age or older at the time that a voucher for  
15                  the subsidy is issued to the individual and who lacks a high school  
16                  diploma or its equivalent.

17                  (2) "High school equivalency exam" refers to an exam, as approved by the  
18                  Texas State Board of Education, for obtaining a Texas Certificate of  
19                  High School Equivalency (TxCHSE).

20                  (3) "Subsidy" is an amount not to exceed the cost of one high school  
21                  equivalency exam, inclusive of all subject areas, as negotiated by TEA.

22                  (4) "Subsidy program" refers to the high school equivalency subsidy  
23                  program.

24                  (5) "Voucher" refers to an electronic or paper-based voucher provided to  
25                  an eligible individual for taking an individualized high school  
26                  equivalency test.

27                  (6) "Voucher allotment" means the annual allotment of vouchers to grant  
28                  recipients. The allotment is based on the number of high school  
29                  equivalency tests taken by the participants of each grant recipient.

30  
31                  **§805.73. Implementation.**

32                  (a) When implementing the high school equivalency subsidy program, the  
33                  Agency will prioritize the subsidy to eligible high school equivalency subsidy  
34                  recipients who are AEL program participants or former AEL participants  
35                  within 365 days of their program exit. The Agency may provide the subsidy  
36                  to eligible high school equivalency subsidy recipients who are not current or  
37                  former AEL participants, based on a plan approved by the Commission.

1 (b) The Commission will approve an initial voucher allotment to the AEL grant  
2 recipient based on high school equivalency test-taking data for the grant  
3 recipient.

4 (c) The Commission will approve an initial voucher allotment, by September 1,  
5 for each grant recipient. Additionally, the Commission may approve an  
6 adjustment of a grant recipient's voucher allotment midyear, or at another  
7 time designated by the Commission, based on a grant recipient's voucher  
8 usage or demonstrated demand.

9 (d) AEL grant recipients will manage the distribution of vouchers to eligible  
10 high school equivalency subsidy recipients and shall confirm the eligibility of  
11 a recipient to receive the subsidy via a voucher.