

1 **High School Equivalency Subsidy Voucher Distribution**  
2 **for Fiscal Year 2022**  
3 **Discussion Paper**

4 **Background**

5 House Bill (HB) 1525, 87th Texas Legislature, Regular Session (2021), amended Texas  
6 Education Code §48.302, Subsidy for High School Equivalency Examination for Certain  
7 Individuals, which was first added in the 86th Texas Legislature, Regular Session (2019). Texas  
8 Education Code §48.302 requires the Texas Education Agency (TEA) to enter into a  
9 memorandum of understanding with the Texas Workforce Commission (TWC) when  
10 transferring funds to subsidize the cost of a high school equivalency (HSE) exam for individuals  
11 who are 21 years of age or older. On November 1, 2021, TEA and TWC entered into an  
12 interagency contract (IAC), enabling TEA to transfer \$750,000 to TWC for this program during  
13 each fiscal year of the 2022–2023 biennium.

14 Currently, only one vendor of the HSE exam, GED Testing Service (provider of the GED exam),  
15 is approved by the State Board of Education to operate in Texas, and test takers who pass these  
16 exams are issued a State of Texas Certificate of High School Equivalency (TxCHSE). Each GED  
17 exam, or the complete battery of the exam, is made up of four individual tests, one in each of the  
18 following subjects: mathematics, science, social studies, and language arts. Total fees for the  
19 GED battery are \$145 or \$169, based on the test delivery method; individual test fees are \$16.25,  
20 \$36.25, or \$42.25.

21 Texas Workforce Commission Chapter 805 Adult Education and Literacy rules, Subchapter E,  
22 describes how TWC must implement this HSE subsidy program, including:

- 23 • prioritizing the subsidy to current or former AEL participants within 365 days of exit as well  
24 as other subsidy recipients as approved by TWC’s three-member Commission (Commission);
- 25 • approving an initial voucher allotment to AEL grant recipients based on the recipients’ HSE  
26 test-taking data; and
- 27 • managing the distribution of HSE vouchers locally by AEL grant recipients.

28 **Issue 1: Initial Voucher Allotment**

29 Section 805.73 requires the Commission to approve an initial HSE voucher allotment for an AEL  
30 grant recipient based on the recipient’s HSE test-taking data by September 1 each year; this rule  
31 also requires AEL grant recipients to manage the local distribution of vouchers to eligible  
32 recipients. As the IAC between TEA and TWC, executed on November 1, 2021, staff proposes  
33 an initial voucher allotment to the Commission at this time.

34 The methodology used for the proposed initial voucher distribution to the 37 AEL grant  
35 recipients in Fiscal Year 2022 (FY’22), as shown in Table 1, considers individual HSE test-  
36 taking data for those grant recipients from February 2019 to February 2020. A percentage share

1 is calculated based on the number of distributable vouchers for FY'22, using the highest cost for  
 2 an individual GED test (\$42.25) and an initial statewide allotment of \$325,000.

3 Additionally, staff has identified an opportunity to support the virtual HSE initiative, approved  
 4 by the Commission on September 28, 2021, making HSE vouchers available to Texas Tech  
 5 University (TTU) and the University of Texas at Austin (UT Austin). Participants in this  
 6 initiative may use this subsidy toward earning a TxCHSE. AEL grant recipients will distribute  
 7 the vouchers, reflected in Table 1, and those reflected in Table 2, which lists the estimated  
 8 number of HSE vouchers allocated to TTU and UT Austin's provider programs, will be  
 9 distributed to their participants.

10 The initial statewide allotment of vouchers totals an estimated \$375,000.

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

<b>Grant Recipient Name</b>	<b>*Total HSE Tests (Feb 19–Feb 20)</b>	<b>Vouchers for Initial Disbursement</b>	<b>Estimated Value of Initial Voucher Disbursement</b>
<b>Houston-Galveston Area Council</b>	20.94%	1,611	\$68,051
<b>Dallas County LDB</b>	10.03%	772	\$32,605
<b>Region 20 ESC</b>	8.60%	662	\$27,965
<b>Ysleta ISD</b>	6.03%	464	\$19,584
<b>Tarrant County WDB</b>	5.58%	429	\$18,146
<b>Region 1 ESC</b>	5.27%	405	\$17,121
<b>Austin Community College</b>	4.24%	326	\$13,794
<b>Literacy Council of Tyler</b>	3.46%	266	\$11,258
<b>Brownsville ISD</b>	2.67%	205	\$8,668
<b>Community Action Inc.</b>	2.65%	203	\$8,596
<b>Amarillo College</b>	2.47%	190	\$8,039
<b>Midland College</b>	2.13%	164	\$6,924
<b>Denton ISD</b>	2.01%	155	\$6,546
<b>Region 2 ESC</b>	1.94%	149	\$6,294
<b>Region 17 ESC, South Plains</b>	1.91%	147	\$6,222
<b>Abilene ISD</b>	1.90%	146	\$6,186
<b>Howard College, Concho Valley</b>	1.84%	141	\$5,971
<b>Victoria College</b>	1.45%	112	\$4,712
<b>Southwest Texas Junior College</b>	1.31%	101	\$4,262
<b>Region 5 ESC</b>	1.28%	98	\$4,154
<b>Temple College</b>	1.27%	97	\$4,118

<b>Grant Recipient Name</b>	<b>*Total HSE Tests (Feb 19–Feb 20)</b>	<b>Vouchers for Initial Disbursement</b>	<b>Estimated Value of Initial Voucher Disbursement</b>
<b>Odessa College</b>	1.25%	96	\$4,064
<b>McLennan Community College</b>	1.18%	91	\$3,849
<b>Angelina College</b>	1.00%	77	\$3,237
<b>Brazos Valley COG</b>	1.00%	77	\$3,237
<b>Region 9 ESC</b>	0.99%	76	\$3,201
<b>Navarro College</b>	0.83%	64	\$2,698
<b>Grayson College - Texoma</b>	0.79%	61	\$2,572
<b>Laredo College</b>	0.74%	57	\$2,410
<b>Paris Junior College, Northeast Texas</b>	0.60%	46	\$1,942
<b>Texarkana College</b>	0.53%	40	\$1,708
<b>Grayson College - North Central</b>	0.51%	40	\$1,673
<b>Central Texas College</b>	0.42%	32	\$1,367
<b>Weatherford ISD</b>	0.40%	31	\$1,295
<b>Howard College, Permian Basin</b>	0.32%	24	\$1,025
<b>Region 17 ESC, Permian Basin</b>	0.29%	22	\$935
<b>Paris Jr College - North Central</b>	0.17%	13	\$558
<b>TOTAL</b>	<b>100.00%</b>	<b>7,692</b>	<b>\$324,987</b>

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2 Table 2: HSE Voucher Distribution to Virtual HSE Providers

<b>Name</b>	<b>Vouchers for Initial Disbursement</b>	<b>Estimated Value of Initial Voucher Disbursement</b>
<b>TTU</b>	591	\$24,970
<b>UT Austin</b>	591	\$24,970
<b>TOTAL</b>	<b>1,182</b>	<b>\$49,940</b>

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

4 Section 805.73 states that the agency may provide the subsidy to eligible HSE subsidy recipients  
5 based on a plan approved by the Commission. Staff requests that the Commission’s plan provide  
6 flexibility in distributing the remaining vouchers for FY’22, with an estimated value of  
7 \$375,000, to AEL grant recipients, TTU, and UT Austin, as needed, to ensure efficient use of  
8 available subsidies by August 31, 2022.

1 Under the plan, staff will review voucher usage on a monthly basis and consider the following  
2 when distributing the remaining vouchers for FY'22 to grant recipients, TTU, and UT Austin:

- 3 • Usage of at least 70 percent of initial vouchers allotted to the recipient
- 4 • Accurate tracking of voucher usage
- 5 • A written request for additional vouchers that outlines the additional number of vouchers  
6 requested and a usage plan

7 Additionally, §805.73 requires TWC to prioritize the HSE subsidy to current and former AEL  
8 participants and allows the Commission to approve a plan so that other eligible individuals may  
9 receive the HSE subsidy. Staff requests that the Commission's plan provide that individuals  
10 participating in the TTU and UT Austin virtual provider pilot will not be required to also receive  
11 services from AEL grant recipients (and so will likely not be traditional AEL participants).

12 Staff proposes that the Commission plan permit AEL grant recipients as well as TTU's and UT  
13 Austin's virtual provider programs to develop local policies related to the distribution of  
14 subsidies to individuals who are not current or former AEL participants, using the individuals'  
15 test-readiness to access this subsidy and assist in full usage of their available vouchers.

#### 16 **Decision Point**

17 Staff seeks direction on implementing the HSE subsidy program authorized under Texas  
18 Education Code §48.302 by:

- 19 • approving an initial allotment of HSE vouchers to AEL grant recipients as well as the TTU  
20 and UT Austin virtual provider programs, as shown in Tables 1 and 2; and
- 21 • approving the plan described above that allows:
  - 22 ➤ staff to distribute remaining vouchers in FY'22 to ensure efficient usage of vouchers; and
  - 23 ➤ AEL grant recipients as well as TTU and UT Austin's virtual provider programs to  
24 develop local policies to distribute HSE vouchers to individuals who are not current or  
25 former AEL participants.