

**High School Equivalency Subsidy Voucher Distribution  
for Fiscal Year 2024  
Discussion Paper**

**Background**

House Bill 1525, 87th Texas Legislature, Regular Session (2021), amended Texas Education Code (TEC) §48.302, Subsidy for High School Equivalency Examination for Certain Individuals. TEC §48.302 requires the Texas Education Agency (TEA) to enter into a memorandum of understanding with the Texas Workforce Commission (TWC) when transferring funds to subsidize the cost of a high school equivalency (HSE) exam for individuals who are age 21 or older. TEA and TWC entered into an interagency contract, enabling TEA to transfer \$750,000 to TWC for this program during each fiscal year starting September 1, 2023, through August 31, 2027, funding permitting.

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

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

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

**Issue 1: Initial Voucher Allotment**

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

The methodology used for the proposed initial voucher distribution to the 37 AEL grant recipients in Fiscal Year 2024 (FY'24), as shown in Table 1, considers individual HSE test-taking data, of those 21 years and older, for those grant recipients from July 2022 to June 2023. A percentage share is calculated based on the number of distributable vouchers for FY'24, using the highest cost for an individual GED test (\$42.25) and an initial statewide allotment of \$450,000.

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 \$450,000,  
 7 as shown in Table 1.

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

<b>Grant Recipient Name</b>	<b>Total % HSE Tests Taken (July 22-June 23)</b>	<b>Estimated Value of Initial Voucher Disbursement</b>
<b>Houston-Galveston Area Council Consortium</b>	19.57%	\$88,049.00
<b>ESC XX Consortium / Restore Education</b>	10.97%	\$49,305.75
<b>Ysleta ISD for the Far West AE Consortium</b>	9.30%	\$41,827.50
<b>Dallas County LWDB for Dallas AEL Consortium</b>	7.82%	\$35,152.00
<b>Austin CC for the Travis County AE Consortium</b>	4.91%	\$22,054.50
<b>Literacy Council of Tyler Consortium</b>	4.23%	\$19,012.50
<b>Workforce Solutions for Tarrant County</b>	3.66%	\$16,435.25
<b>Community Action Inc AE Consortium</b>	3.09%	\$13,858.00
<b>Amarillo College Consortium</b>	2.56%	\$11,492.00
<b>Brownsville ISD Adult and CE Consortium</b>	2.54%	\$11,407.50
<b>Region I ESC</b>	2.37%	\$10,647.00
<b>Region XVII ESC South Plains</b>	2.34%	\$10,478.00
<b>Midland College</b>	2.31%	\$10,351.25
<b>Region II ESC</b>	2.27%	\$10,224.50
<b>Southwest Texas Junior College</b>	1.72%	\$7,731.75
<b>Region V ESC</b>	1.48%	\$6,633.25
<b>Howard College Concho Valley</b>	1.43%	\$6,422.00
<b>Odessa College</b>	1.42%	\$6,379.75
<b>Abilene ISD</b>	1.42%	\$6,337.50
<b>McLennan Community College</b>	1.40%	\$6,253.00
<b>New Denton ISD</b>	1.34%	\$5,999.50
<b>Victoria County Jr College</b>	1.32%	\$5,957.25
<b>Brazos Valley COG for Brazos Valley AEL</b>	1.15%	\$5,154.50
<b>Region IX ESC</b>	1.14%	\$5,112.25
<b>Laredo College</b>	1.13%	\$5,027.75
<b>Angelina College Adult Education Consortium</b>	0.94%	\$4,225.00
<b>Temple College</b>	0.87%	\$3,887.00
<b>Grayson College - North Central</b>	0.84%	\$3,760.25
<b>Grayson College - Texoma</b>	0.77%	\$3,464.50

<b>Grant Recipient Name</b>	<b>Total % HSE Tests Taken (July 22-June 23)</b>	<b>Estimated Value of Initial Voucher Disbursement</b>
Navarro College - New	0.69%	\$3,084.25
Texarkana College	0.66%	\$2,957.50
Central Texas College	0.63%	\$2,830.75
Weatherford ISD	0.52%	\$2,323.75
Paris JC for Red River Valley AE Consortium	0.50%	\$2,535.00
Paris Junior College - North Central	0.30%	\$1,478.75
Region XVII ESC Permian Basin	0.25%	\$1,267.50
Howard College Permian Basin	0.12%	\$845.00
University of Texas -Austin		TBD, As requested
Texas Tech University		TBD, As requested

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 for FY’24 to AEL  
5 grant recipients, as needed, to ensure efficient use of available subsidies by June 30,  
6 2024; 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:

- 13 • approving an initial allotment of HSE vouchers estimated at \$450,000 to AEL grant  
14 recipients, which includes the TTU and UT Austin virtual provider programs, as shown  
15 in Table 1; and
- 16 • approving the plan described in Issue 2, which allows:
  - 17 ➤ staff to distribute remaining vouchers to AEL grant recipients in FY’24 to ensure  
18 efficient usage of vouchers; and
  - 19 ➤ AEL grant recipients to develop local policies to distribute HSE vouchers to  
20 individuals who are not current or former AEL program participants.