

**High School Equivalency Subsidy Voucher Distribution
for Fiscal Year 2026
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 39 AEL grant recipients¹ in Fiscal Year 2026 (FY 2026), as shown in Table 1, considers individual HSE test-taking data for grant recipients from August 2024 to June 2025. A percentage share is calculated based on the number of distributable vouchers for FY 2026 using the highest cost for an

¹ In the event one entity has multiple grants, test taker data is cumulative.

individual GED test (\$42.25). The initial statewide allotment of vouchers by AEL grant recipient totals an estimated \$600,000, as shown in Table 1.

Table 1: HSE Voucher Distribution to AEL Grant Recipients

Grant Recipient Name	Total % HSE Tests Taken (July 2024–June 2025)	Estimated Value of Initial Voucher Disbursement
Socorro Independent School District	11.0%	\$66,000
Harris County Department of Education	10.2%	\$61,200
Restore Education	7.8%	\$46,800
Literacy Council of Tyler	7.0%	\$42,000
Dallas County Local Workforce Board	6.2%	\$37,200
Austin Community College	5.7%	\$34,200
Region 5 Education Service Center	4.0%	\$24,000
Midland Junior College	3.3%	\$19,800
Southwest Texas Junior College	3.0%	\$18,000
Community Action, Inc. of Central Texas	2.8%	\$16,800
Brownsville Independent School District	2.7%	\$16,200
Abilene Independent School District	2.5%	\$15,000
Howard County Junior College District	2.4%	\$14,400
Alamo Community College District	2.2%	\$13,200
McLennan Community College	2.2%	\$13,200
College of the Mainland	2.1%	\$12,600
Education Service Center, Region 2	2.0%	\$12,000
Paris Junior College	2.0%	\$12,000
Workforce Solutions of Tarrant County	2.0%	\$12,000
Collin County Community College District	1.7%	\$10,200
Laredo College	1.6%	\$9,600
Region 17 Education Service Center	1.6%	\$9,600
Region One Education Service Center	1.6%	\$9,600
Houston-Galveston Area Council	1.3%	\$7,800
Brazos Valley Council of Governments	1.0%	\$6,000
Brazosport College	1.0%	\$6,000
Education Service Center, Region 9	1.0%	\$6,000
Navarro College	1.0%	\$6,000
Odessa College	1.0%	\$6,000
Temple College	1.0%	\$6,000
Texarkana College	1.0%	\$6,000
Weatherford Independent School District	0.8%	\$4,800
Denton Independent School District	0.7%	\$4,200
Victoria County Junior College District	0.7%	\$4,200
Del Mar College	0.6%	\$3,600

Grant Recipient Name	Total % HSE Tests Taken (July 2024–June 2025)	Estimated Value of Initial Voucher Disbursement
Angelina College	0.4%	\$2,400
Grayson College	0.4%	\$2,400
South Texas College	0.3%	\$1,800
Central Texas College	0.2%	\$1,200

Issue 2: Plan for Distributing Vouchers

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

- provide flexibility to TWC staff in distributing the remaining vouchers for FY 2026 to AEL grant recipients, as needed, to ensure efficient use of available subsidies by June 30, 2026; and
- permit AEL grant recipients to develop local policies related to the distribution of subsidies to individuals who are not current or former AEL program participants, using the individuals' test-readiness to access the subsidy.

Decision Point

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

- approving an initial allotment of HSE vouchers estimated at \$600,000 to AEL grant recipients, as shown in Table 1; and
- approving the plan described in Issue 2, which allows:
 - staff to distribute remaining vouchers to AEL grant recipients in FY 2026 to ensure efficient usage of vouchers; and
 - AEL grant recipients to develop local policies to distribute HSE vouchers to individuals who are not current or former AEL program participants.