

1 **High School Equivalency Subsidy Voucher Distribution**  
2 **for Fiscal Year 2025**  
3 **Discussion Paper**

4 **Background**

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

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

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

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

27 **Issue 1: Rule Suspension**

28 40 Texas Administrative Code 805.73(b) requires TWC's three-member Commission  
29 (Commission) to approve an initial HSE voucher allotment for an AEL grant recipient based on  
30 the recipient's HSE test-taking data by September 1 of each year. Due to the new grant cycle that  
31 began July 1, 2024, there are grantees that do not have test taking data available and are new to  
32 the AEL system. While new data are collected, staff recommends the Commission consider a  
33 rule suspension as allowed under 40 TAC 808.8. By suspending 805.73(b), TWC can distribute  
34 HSE vouchers under a revised plan as outlined in Issue 2, thereby ensuring adult learners have  
35 continued access to HSE vouchers and can continue work towards HSE credential attainment.

36 **Issue 2: Initial Voucher Allotment**

1 The methodology used for the proposed initial voucher distribution to the 51 AEL grant  
 2 recipients in Fiscal Year 2025 (FY'25), as shown in Table 1, considers proportional funding  
 3 distribution based on grantee budget. A percentage share is calculated based on the number of  
 4 distributable vouchers for FY'25, using the highest cost for an individual GED test (\$42.25) and  
 5 an initial statewide allotment of \$500,000.

6 Additionally, staff has identified an opportunity to support the virtual HSE initiative, approved  
 7 by the Commission on September 28, 2021, making HSE vouchers available to Texas Tech  
 8 University (TTU) and the University of Texas at Austin (UT Austin). Participants in this  
 9 initiative may use the subsidy toward earning a TxCHSE. UT Austin and TTU may request  
 10 vouchers as needed from TWC. Since these grants operate on a different grant cycle than core  
 11 provider system, staff are continuing methodology to distribute on a as-needed basis.

12 The initial statewide allotment of vouchers by AEL grant recipient totals an estimated \$500,000,  
 13 as shown in Table 1.

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

<b>Grant Recipient Name</b>	<b>Total % of Share</b>	<b>Estimated Value of Initial Voucher Disbursement</b>
<b>Abilene Independent School District</b>	1.12	\$5,596
<b>Alamo Community College District</b>	1.64	\$8,213
<b>Amarillo Junior College District</b>	1.43	\$7,173
<b>Angelina College</b>	1.22	\$6,075
<b>Austin Community College</b>	4.55	\$22,759
<b>Brazos Valley Council of Governments</b>	1.02	\$5,121
<b>Brazosport College</b>	0.95	\$4,753
<b>Brownsville Independent School District</b>	2.71	\$13,525
<b>Central Texas College</b>	0.42	\$2,120
<b>College of the Mainland</b>	1.01	\$5,065
<b>Collin County Community College District</b>	2.62	\$13,113
<b>Community Action, Inc. of Central Texas</b>	4.05	\$20,232
<b>Dallas County Local Workforce Board</b>	8.72	\$43,621
<b>Del Mar College</b>	1.55	\$7,768
<b>Denton Independent School District</b>	2.64	\$13,223
<b>Education Service Center, Region 2</b>	1.27	\$6,369
<b>Education Service Center, Region 9</b>	0.73	\$3,653
<b>Grayson College</b>	0.67	\$3,351
<b>Harris County Department of Education</b>	7.54	\$37,697
<b>Houston-Galveston Area Council</b>	13.31	\$66,544
<b>Howard County Junior College District</b>	0.79	\$3,962
<b>Laredo College</b>	1.57	\$7,857
<b>Literacy Council of Tyler</b>	2.72	\$13,601

Grant Recipient Name	Total % of Share	Estimated Value of Initial Voucher Disbursement
McLennan Community College	1.22	\$6,098
Midland Junior College	0.60	\$3,022
Navarro College	1.20	\$5,976
Odessa College	0.90	\$4,516
Paris Junior College	0.85	\$4,230
Region 17 Education Service Center	1.52	\$7,612
Region 5 Education Service Center	1.41	\$7,031
Region One Education Service Center	4.16	\$20,798
Restore Education	7.19	\$35,968
Socorro Independent School District	3.04	\$15,212
South Texas College	1.20	\$6,022
Southwest Texas Junior College	1.03	\$5,147
Workforce Solutions of Tarrant County	8.09	\$40,458
Temple College	1.11	\$5,530
Texarkana College	0.36	\$1,814
Victoria County Junior College District	1.12	\$5,621
Weatherford Independent School District	0.71	\$3,554
University of Texas - Austin		Upon Request
Texas Tech University		Upon Request

1 **Issue 3: 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’25 to AEL  
5 grant recipients, as needed, to ensure efficient use of available subsidies by August 31,  
6 2025; 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 recommends the following to implement the HSE subsidy program authorized under  
12 TEC §48.302:

- 13 • temporary suspension of Chapter 805.73(b) due to new grant cycle
- 14 • approval of an initial allotment of HSE vouchers estimated at \$500,000 to AEL grant  
15 recipients, as shown in Table 1; and
- 16 • approval of the plan described in Issue 3, which allows:  
17 ➤ staff to distribute remaining vouchers to AEL grant recipients in FY’25 to ensure  
18 efficient usage of vouchers; and

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  - 2
- AEL grant recipients to develop local policies to distribute HSE vouchers to individuals who are not current or former AEL program participants.