

June 12, 2025

Teacher Compensation

1. What are some models for how districts can increase their salary schedule with the Teacher Retention Allotment?

Below are two examples showing how school systems of different sizes can adjust their salary schedules in alignment with the Teacher Retention Allotment (TRA) models. Each example includes salary increases from the previous year to ensure that teachers receive an overall raise reflecting the TRA funding. However, the increase for a specific year or step may be less than the total TRA amount allocated.

Sample School System with more than 5,000 Enrolled Students			
Years of Experience	2024-25 Salary	Updated Salary for Teachers Eligible for TRA	Notes
0	\$61,000	\$61,000	
1	\$61,200	\$61,200	
2	\$61,400	\$61,400	
3	\$61,600	\$63,900	Prior Year 2 Salary + \$2,500
4	\$61,800	\$64,100	Prior Year 3 Salary + \$2,500
5	\$62,000	\$66,800	Prior Year 4 Salary + \$5,000
6	\$62,200	\$67,000	Prior Year 5 Salary + \$5,000
7	\$62,400	\$67,200	Prior Year 6 Salary + \$5,000
8	\$62,711	\$67,400	Prior Year 7 Salary + \$5,000
9	\$63,391	\$67,711	Prior Year 8 Salary + \$5,000
10	\$64,171	\$68,391	Prior Year 9 Salary + \$5,000
11	\$64,371	\$69,171	Prior Year 10 Salary + \$5,000
12	\$64,671	\$69,371	Prior Year 11 Salary + \$5,000
13	\$64,971	\$69,671	Prior Year 12 Salary + \$5,000
14	\$65,271	\$69,971	Prior Year 13 Salary + \$5,000
15	\$65,571	\$70,271	Prior Year 14 Salary + \$5,000
16	\$65,871	\$70,571	Prior Year 15 Salary + \$5,000
17	\$66,171	\$70,871	Prior Year 16 Salary + \$5,000
18	\$66,471	\$71,171	Prior Year 17 Salary + \$5,000
19	\$66,771	\$71,471	Prior Year 18 Salary + \$5,000
20	\$67,071	\$71,771	Prior Year 19 Salary + \$5,000
21+	\$67,371	\$72,071	Prior Year 20 Salary + \$5,000

Sample School System with 5,000 or fewer Enrolled Students			
Years of Experience	2024-25 Salary	Updated Salary for Teachers Eligible for TRA	Notes
0	\$40,000	\$40,000	
1	\$40,250	\$40,250	
2	\$40,500	\$40,500	
3	\$40,750	\$44,500	Prior Year 2 Salary + \$4,000
4	\$41,000	\$44,750	Prior Year 3 Salary + \$4,000
5	\$41,250	\$49,000	Prior Year 4 Salary + \$8,000
6	\$42,000	\$49,250	Prior Year 5 Salary + \$8,000
7	\$43,000	\$50,000	Prior Year 6 Salary + \$8,000
8	\$44,500	\$51,000	Prior Year 7 Salary + \$8,000
9	\$45,850	\$52,500	Prior Year 8 Salary + \$8,000
10	\$47,150	\$53,850	Prior Year 9 Salary + \$8,000
11	\$48,350	\$55,150	Prior Year 10 Salary + \$8,000
12	\$49,550	\$56,350	Prior Year 11 Salary + \$8,000
13	\$50,550	\$57,550	Prior Year 12 Salary + \$8,000
14	\$51,550	\$58,550	Prior Year 13 Salary + \$8,000
15	\$52,500	\$59,550	Prior Year 14 Salary + \$8,000
16	\$53,400	\$60,500	Prior Year 15 Salary + \$8,000
17	\$54,200	\$61,400	Prior Year 16 Salary + \$8,000
18	\$54,900	\$62,200	Prior Year 17 Salary + \$8,000
19	\$55,500	\$62,900	Prior Year 18 Salary + \$8,000
20	\$56,000	\$63,500	Prior Year 19 Salary + \$8,000
21+	\$56,250	\$64,000	Prior Year 20 Salary + \$8,000

2. When will district funding amounts be available?

For cashflow purposes, beginning in September 2025, districts will be paid based on prior year estimates until the summary of finances (SOF) reports are updated in March 2026 with PEIMS Fall Submission data for the current year.

3. What count of teachers will be used to calculate the teacher retention allotment?

Personnel data used to determine the TRA allotment has historically been submitted to TEA as part of the PEIMS Fall Submission. Accordingly, TEA will calculate the total TRA allotment based on this data submission. For the upcoming school year, TEA will count the number of classroom teachers classified as a Teacher (Staff Classification (E0721) is 087) and Total Years Professional Experience (E0130) as submitted in the PEIMS Fall Submission for the 2025–2026 school year.

1. If a PersonID with Staff Classification of 087 has multiple FTE entries within a school system, all FTE values are summed to calculate the total FTE.
2. A PersonID with a total FTE greater than or equal to 0.5 is considered a full-time teacher. TEA will derive instructional FTEs, or the portion of a person's FTE that is used to perform classroom functions.

For contracted staff, such as those employed by an SB 1882 partnership organization or via an SSA, the number of classroom teachers will be identified based on Staff Types 3 or 4 with Staff Classification of 087. In the past, requirements related to reporting individuals who work as classroom teachers through these contracts have not been consistent, so TEA will be updating guidance in the coming months to ensure clarity in reporting for the PEIMS Fall Submission.

4. How will years of experience be determined?

To determine which classroom teachers are eligible for pay increases based on years of experience, school systems should use total years of experience, which is calculated based on the number of verifiable years of creditable experience specified in 19 TAC, Chapter 153.1021. This is the same as years of experience as reported in [YearsofProfessionalExperience](#) Code (E0130) in TSDS.

5. Will years of teaching experience always relate back to what the teacher had in FY 26, or as teachers move from 4 years of experience to 5 years of experience in a future year, or 2 years to 3 years, do they qualify for the higher allotment?

Funding in future years will be based on years of experience for eligible teachers in the relevant school year and will not look back to FY 26 experience throughout the teacher's career.

6. Are teachers required to be certified to be eligible for the teacher retention allotment?

No, teachers do not need to be certified in order to be eligible for the teacher retention allotment.

7. Are staff who are certified to teach eligible if they are serving in a role other than teaching?

The TRA statute (Texas Education Code (TEC), Sec. 48.158) defines a classroom teacher for TRA allotment purposes as a person who is employed by a school system and who, not less than an average of four hours each day, teaches in an academic instructional setting or a career and technology instructional setting and who are employed in a role that would typically require possession of an State Board for Educator Certification (SBEC) teaching certification or otherwise performs duties that could require an SBEC teaching certification. Accordingly, the term under TRA includes individuals who do not hold a certificate who otherwise meet the definition. The term is not limited to teachers of record, and instead includes any individual who meets the instructional requirement noted. It does not include a teacher's aide or a full-time administrator. The TRA statute also includes individuals who meet the definition of a classroom teacher even if they are employed by an entity with which the school system has entered into a contract (e.g., charter management organizations, SB 1882 partnership school teachers and shared service arrangement (SSA) teachers).

8. Must the teacher retention allotment be paid as regular salary, monthly stipend or in one lump sum?

The teacher retention allotment must be paid as part of the teacher's regular salary utilizing 080 base salary, [Payroll Activity](#).

9. My district has a single salary schedule for teachers, librarians, counselors, and other related roles. Does the TRA apply to the other roles?

If a district has a current salary schedule that includes teachers and roles that do not meet the TRA statute of classroom teachers, they should modify their local salary schedule to have two distinct schedules, one for classroom teachers and one for other educational roles, unless they choose to use local funds to increase salaries for those other roles at a level commensurate with the increase provided under TRA. The TRA only applies to individuals who meet the statutory definition of classroom teacher.

10. Does the salary include payroll taxes and benefits?

The teacher retention allotment is only for the teacher's base salary. Payroll taxes and benefits may be covered with the Allotment for Basic Costs or other district funds.

11. Are all teachers eligible for the teacher retention allotment, regardless of the fund from which they are paid?

Yes. All eligible classroom teachers are entitled to a pay increase, regardless of the fund from which they are paid. Similarly, all classroom teachers are included in the count for the allotment calculation. However, only teachers that have completed 3 years or more of service will be eligible to receive the TRA. Teachers with less experience may receive a pay increase from the Support Staff Retention Allotment if the local school system chooses to allocate SSRA funds in that way.

12. We had to adopt a pay scale and budget before we fully understood the salary ramifications of HB 2. What should we do?

The school system should adjust the salary so that they are in compliance. HB 2 has specific language ensuring that you are able to do this:

- (f) A school district that increases classroom teacher compensation in the 2025-2026 school year to comply with Subsection (c), as added by H.B. 2, 89th Legislature, Regular Session, 2025, is providing compensation for services rendered independently of an existing employment contract applicable to that school year and is not in violation of Section 53, Article III, Texas Constitution.

13. How will the budget amendments related to the Teacher Retention Allotment and the Support Staff Retention Allotment impact the Financial Integrity Rating System of Texas (FIRST) ratings?

This correspondence is focused solely on immediate implementation requirements related to Article 1 of HB 2. Given the need for immediate action, and the many other changes to school finance from HB 2, school systems should anticipate having to make more budget amendments after the budget is initially adopted in the upcoming school year than is typical.

The agency is aware that Indicator 10 of FIRST compares, on a three-year rolling average, the budgeted revenues reported at snapshot to actual revenues reported in mid-year PEIMS. As the agency has been doing for the past four years, before final issuance of FIRST ratings of relevance to the 2025-26 school year, the TEA will analyze the data collected and determine if the indicator functions as intended or whether, based on the legislative changes, the indicator needs to be paused.