



House Bill 3 Industry-Based Certification Examination Reimbursement Frequently Asked Questions

IBC Definition and Cost

A.1) What is an Industry-Based Certification?

A certification is a validation that an individual possesses certain skills related to an occupation and measured against a set of industry-accepted standards. An occupation may have multiple certifications with varying levels of expertise. An individual may earn a certification by successfully passing a test or battery of tests, while earning other certifications requires additional steps, such as graduating from high school, fingerprinting, background checks, or applying for and receiving a license. Certifications are administered by a certification body, usually an organization such as a trade association or industry-approved testing entity. Certifications are often time-limited credentials, where individuals must meet ongoing requirements to maintain the certification. Earning an IBC and attaining completer status within an aligned program of study is one of the multiple ways students can demonstrate College, Career, and Military Readiness (CCMR) within the A-F Accountability System.

A.2) Where can I learn more about IBCs?

[TEA's CTE website](#) has a section dedicated to IBCs.

A.3) What are the approved IBCs and certifying entities?

The 2022-2025 IBC List for Public School Accountability is located [here](#). The list includes the names of each approved IBC and the unique identifier as well as the approved certifying entity/entities for each IBC. The certifying entity websites are hyperlinked within the document.

Only the certifications awarded through these certifying entities are eligible for reimbursement. The unique identifiers in this table will be helpful in guiding local education agencies (LEAs) through the PEIMS submissions.

Policy Overview

B.1) What is the Industry-Based Certification reimbursement policy?

An LEA is entitled to a reimbursement from TEA for the amount of a subsidy paid by the LEA for a student's certification examination under Texas Education Code (TEC) § [29.190\(a\)](#). Additional costs, such as materials, curriculum, fingerprinting, and licensing fees are not eligible for reimbursement.

B.2) Who is reimbursed?

The LEA is the entity that receives reimbursement from TEA for paying for an eligible student to take an IBC (TEC § [39.0261\(a\)\(3\)](#)).

B.3) For which students will the LEA receive reimbursement?

The LEA may request reimbursement for students enrolled in the 9th-12th grade (through the summer after graduation).

B.4) What is reimbursable?

TEA may reimburse an LEA for **one passed** exam per eligible student. If the student fails the exam, the LEA may not request reimbursement.

B.5) The student has taken an exam with multiple components, such as Cosmetology. How can the LEA report this for reimbursement?

LEAs may request reimbursement for either **one** or **both** parts of a multiple-part exam; however, the reimbursement request must be submitted at one time. For example, a student who wishes to earn the Cosmetology Operator License must complete both a written and practical examination. If the student only completes one part of the exam (the written, but not the practical), the LEA may submit the written exam for reimbursement and the practical exam would not be reimbursable. If the LEA wants to be reimbursed for both parts of the exam, they must wait until the student completes both exams and submit for reimbursement at that time.

Again, an LEA may receive reimbursement **once** per eligible student for an industry-based certification offered through the approved certifying entity listed on the [2022-2025 IBC List for Public School Accountability](#).

Student and LEA Eligibility

C.1) Which students are eligible for reimbursement?

An eligible student is:

- enrolled in Grades 9-12 at the time of examination; and
- a Texas public school student; and
- passes the certification examination; and
- has never been reimbursed for a passed certification examination.

C.2) What are the eligibility requirements for LEAs?

For the LEA to receive reimbursement, the LEA must:

- Report to the state the name of the student, the certification earned, the cost of the examination, and the certifying entity through the Public Education Information Management System (PEIMS); **and**
- Retain verifiable local records from the certifying entity, for a minimum of five years, that the student passed the certification examination

C.3) Can private schools receive reimbursement?

No, private schools are not eligible for reimbursement.

C.4) Can homeschooled students receive reimbursement?

No, homeschooled students are considered private school students in the State of Texas; therefore, they are not eligible for reimbursement.

C.5) Can charter schools receive reimbursement?

Public, open-enrollment charter schools are eligible for reimbursement.

C.6) When is a student eligible to begin taking a certification exam?

A student is eligible to take a certification exam on or after September 1 of their 9th grade year.

C.7) What is considered a “School Year?”

TEA defines the school year for reimbursement as September 1 – August 31.

Reimbursement Process and Reporting

D.1) When will LEAs be reimbursed for passed certification exams?

Each year, LEAs receive the estimated Foundation School Program funding allocation for IBCs, which can be found in line 40 of the [Summary of Finance](#) report. TEA will reconcile eligible expenditures during the settle-up process each April.

This process repeats annually. 2024-2025 allotments will settle-up in April 2026.

D.2) How will the LEA report to TEA the amount to be reimbursed?

a) Cost Guidelines

Beginning in the 2020-2021 school year and all subsequent submissions, LEAs will report in PEIMS the certification earned, the cost of the certification (if requesting reimbursement), and the certifying entity.

TEA will reimburse the first certification earned that is reported with a cost greater than \$0. LEAs shall report the cost of the certification examination if they wish to receive reimbursement for that certification.

Only one reimbursement per student throughout Grades 9-12 will be provided; therefore, **LEAs should only report a cost greater than \$0 for the certification for which they wish to be reimbursed.**

b) Reporting Windows

LEAs must report all failed, passed, and earned certifications within the correct reporting windows. PEIMS will report **fatal errors** if LEAs do not report within the appropriate window:

If an IBC was failed, passed, or earned...			Report the IBC with the following PEIMS collection:			
			2024-2025		2025-2026	
Students	From	To	Summer (Sub 3)	Fall (Sub 1)	Summer (Sub 3)	Fall Sub (1)
Currently Enrolled or 2025 Graduate	September 01, 2024	May 31, 2025	X			
Currently Enrolled or 2025 Graduate	June 01, 2025	August 31, 2025		X		
Currently Enrolled or 2026 Graduate	September 01, 2025	May 31, 2026			X	
Currently Enrolled or 2026 Graduate	June 01, 2026	August 31, 2026				X

Failed: The student took an IBC examination and failed. Every instance of an attempted IBC examination should be reported within PEIMS even if the student did not pass the examination or earn the IBC. Failed IBCs will not count toward CCMR nor be considered for reimbursement. However, data is collected so that TEA can report progress toward Perkins performance indicators and examine the root causes of trends. Additional resources or training may be developed by TEA and offered to LEAs to meet the educational needs of students based on this information.

Passed: The exam has been passed but other requirements, such as fingerprinting or applying for the license, have not been met; or only one exam of a multi-exam IBC has been passed.

Earned: The student has successfully completed all requirements defined by the certifying entity. For example, some IBCs are earned upon passing a certification test. Other IBCs require additional steps, such as completing and passing specific courses outlined by the certifying entity, receiving a certificate of training from an authorized training provider, passing a background check after submitting fingerprints and social security number, and/or registering for a license. LEAs should consult the certifying entities' webpages, which are hyperlinked within the Approved IBC List for Public School Accountability, to determine the requirements that must be met for students to earn IBCs.

*All self-reported data submitted through PEIMS should be kept a minimum of five years.

D.3) What are the reporting requirements for students?

Once the student passed the exam, the student should provide the official results to the LEA. For auditing purposes, LEAs should keep records for a minimum of five years and, upon request by TEA, be prepared to submit verifiable, official documentation from the certifying entity of the student’s passed exam.

D.4) Can an LEA be reimbursed for paying for the SAT/ACT/TSIA and an IBC for a student?

Yes. The college preparation assessment reimbursement and IBC examination reimbursement are two separate pieces of legislation.

D.5) What if a student misses an exam for which the LEA has already paid?

TEA will only reimburse for passed exams.

D.6) If a student moves to a different LEA during the school year, which LEA will be reimbursed?

TEA will reimburse the first-reported IBC exam in PEIMS with an associated cost greater than \$0.

If multiple LEAs report a cost for the same certification for the same student, the first LEA will be considered for reimbursement (the LEA in which the student was enrolled at time of examination AND the LEA that paid for the certification examination). LEAs should utilize the TReX platform to minimize duplicate reporting.

Please see the below example scenario for additional guidance.

Scenario: Student earns IBC in fall of 2024 in LEA A and LEA A paid for the exam. LEA A reports the information for PEIMS, including cost. Student then transfers to LEA B in February 2025.

Response: Since LEA A paid for the exam, LEA A should report the certification and will be reimbursed for the expense. For accountability, LEA B would **not** report the IBC as LEA A’s reporting for the student will be reflected when the annual graduates are reconciled by Performance Reporting; even though LEA A reports the IBC, the credit follows the student to the LEA from which they graduate.

School Finance

E.1) Where is the estimated funding for IBC reimbursements? How much did our LEA receive?

LEAs receive the estimated Foundation School Program funding allocations each year. The amount of estimated funding may be found on line 40 of the [Summary of Finance](#) report. This process repeats annually.

E.2) Can alternative funding sources (like the College, Career, and Military Readiness Outcomes Bonus, Perkins funding, and/or IBC grants) pay for IBC administration?

If requesting reimbursement, LEAs may not use alternative funding sources to pay for IBCs. However, LEAs may use these alternative funding sources to pay for additional exams or certification exams that were not passed.

E.3) What PIC code should be used to purchase IBC exams?

There is no formal PIC code to track the purchase of IBC exams. Since the allotment is distributed through the Foundation School Program, the LEA should develop and follow local policy to track the expenditures.

E.4) If a student does not pass the IBC exam, what PIC code should be used for the expense?

The LEA may use PIC 22 (State CTE funding), PIC 38 (Outcomes Bonus) or Perkins funds to pay for additional and/or failed exams.

E.5) Are there any restrictions on the use of the IBC reimbursement funds?

These funds may only be used to pay for the certification exam for students who have met the criteria listed in Question C.1. These funds may not be used for any other purpose. Preparation fees, fingerprinting, programmatic fees, licensing fees, and any other costs may not be included on the reimbursement request.

E.6) How do LEAs determine the cost of an exam when purchasing site licenses or training materials?

The state will not reimburse the cost of the entire site license – only the cost per student per exam. LEAs are responsible for calculating the individual cost of an exam when taking advantage of site licenses. TEA released detailed [guidance](#) for LEAs who need further clarity on how to disaggregate site license exam costs for reporting.

Contact Career and Technical Education at cte@tea.texas.gov for additional questions.