

<b>DATE:</b>	<b>July 10, 2025</b>
<b>SUBJECT:</b>	<b>House Bill 2 (HB 2) Implementation: Teacher Incentive Allotment (TIA)</b>
<b>CATEGORY:</b>	<b>Teacher Incentive Allotment</b>
<b>NEXT STEPS:</b>	<ul style="list-style-type: none"><li>• <b>Share with school system administrators, staff who work on TIA, and business office staff</b></li><li>• <b>For districts interested in applying for strategic compensation technical assistance, complete the application by August 11<sup>th</sup>.</b></li></ul>

In 2019, House Bill (HB) 3 established the Teacher Incentive Allotment (TIA) with the goal of providing a pathway for highly effective teachers to earn a six-figure salary. The Teacher Vacancy Task Force, established in 2022 by Governor Greg Abbott, worked to examine teacher retention and recruitment challenges across Texas. The first recommendation of the task force was to increase overall compensation and support strategic compensation strategies.

Building on the success of TIA and other recommendations, HB 2 was passed by the 89th Legislature and signed into law by Governor Abbott on June 4, 2025. This bill expanded funding for TIA supports, increased teacher-generated allotments, and established and funded Enhanced TIA for districts implementing strategic compensation systems.

While many details of HB 2 implementation are still being refined and will be communicated in the coming months, the following information is being provided to support decision-making for school systems related to recruitment and support communication for the 2025-2026 school year.

### TIA Expansion

HB 2 expands TIA by increasing support and funding for great teachers in Texas. Specifically, beginning in 2025-26, HB 2 provides:

- Increased TEA Technical Support
- Increased regional support from regional education service centers(ESCs). For more information, visit the [Teacher Incentive Allotment website](#).
- Enhanced TIA (see below for more information and next steps)
- Review of National Board Certified Teachers by the State Board for Educator Certification (SBEC). In subsequent years, HB 2 also creates an independent designation for National Board Certified Teachers, nationally board certified.

Beginning in 2026-27:

- HB 2 establishes a new level of designation, acknowledged, that will significantly increase the number of designated teachers in Texas. School systems with an accepted TIA application may submit teachers for the acknowledged level designation beginning in fall 2026, based on teacher performance data collected in the upcoming 2025-26 school year. TEA will publish teacher observation and student growth performance standards for the acknowledged designation in the coming months. These performance standards will align with the top 50% of Texas teachers.

- HB 2 provides a significant increase in the per-designation allotment payouts. Key changes to the funding formula include:
  - Funding for acknowledged level designations. The base funding and multipliers will align with the current funding for recognized designations.
  - Increased base allotments and maximum amounts for recognized, exemplary and master teachers
  - Increased multiplier amounts for the high needs and rural factor

TEA will communicate with school systems participating in TIA about additional opportunities to learn more in August and September.

## Enhanced TIA

Aligning with the goal of providing sustainable salary increases for high-performing Texas teachers and administrators, HB 2 also supports school systems with advanced TIA and strategic compensation systems by providing an additional 10% increase in total TIA funds with an

**Enhanced Teacher Incentive Allotment** designation.

To earn an Enhanced TIA designation and access additional funding, school systems must have a fully approved local designation system and build evaluation systems and compensation plans for both teachers and principals based on performance.

For teachers, school systems must:

- Include all teacher types as eligible for designation in a TEA-approved local teacher designation system for TIA.
- Replace the step and ladder pay scale with a compensation plan based on performance and move away from across-the-board pay raises.
- Implement a targeted distribution model and other appropriate quality control systems.
- Adopt an approach to teacher assignment based on student needs that includes strategic scheduling for early grades and high-need campuses and students.

For principals, school systems must:

- Develop a refined principal evaluation system consistent with the TIA approach.
- Replace the step and ladder pay scale with a compensation plan based on performance.

For any school systems that currently meet the above criteria or anticipate meeting the criteria in the 2026-27 school year, TEA will publish a letter of intent to apply for an Enhanced TIA designation in September 2025 and an application in Winter 2026. School systems that currently meet the above criteria and earn an Enhanced TIA designation during the 2025-26 school year will receive the increased TIA allotment for this school year. TEA anticipates confirming the increased amount in Spring of 2026.

School systems that apply in 2025-26 to be an Enhanced TIA system or earn this designation in subsequent years have the option to use funds generated from the Teacher Retention Allotment for compensation based on teacher performance and in line with the structures of the Teacher Incentive Allotment, as opposed to making the changes to their salary schedule based on years of service.

## **Strategic Compensation Technical Assistance Opportunity**

TEA is supporting a cohort of school systems through the strategic compensation planning and implementation processes with the goal of helping districts develop a system that can qualify for an Enhanced TIA designation in the coming years. **For school systems interested in applying for strategic compensation technical assistance, please submit the following application by August 11: [Application Link](#).**

School systems should email [tia@tea.texas.gov](mailto:tia@tea.texas.gov) to request additional information regarding joining the Fall 2025 Strategic Compensation Cohort, including upcoming options for webinars. School systems will be selected for this opportunity based on multiple factors, including, but not limited to, TIA status, financial accountability (FIRST) ratings, and evidence of a willingness to plan for and implement broad scale change in their organization.

For more information and frequently asked questions, please visit [the TIA website](#).