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| <b>DATE:</b>       | <b>September 25, 2025</b>  |
| <b>SUBJECT:</b>    | <b>HB 2 Implementation: Teacher Incentive Allotment Update</b>                                   |
| <b>CATEGORY:</b>   | <b>Teacher Incentive Allotment</b>   |
| <b>NEXT STEPS:</b> | <b>Share with school system administrators, staff who work on TIA, and business office staff</b> |

House Bill 2 (HB 2) passed during the 89th Texas Legislature, Regular Session, 2025, and was signed into law by Governor Abbott. This bill expanded funding for Teacher Incentive Allotment (TIA) supports, increased teacher-generated allotments, and established and funded Enhanced TIA for districts implementing strategic compensation systems.

A previous [To the Administrator Addressed correspondence](#) published on July 10, 2025, House Bill 2 (HB 2) Implementation: Teacher Incentive Allotment (TIA), included timelines and general information on TIA and Enhanced TIA.

This correspondence provides additional details of House Bill 2 (HB 2) as it relates to the Teacher Incentive Allotment (TIA), including:

- Performance standards and timeline for Acknowledged designations
- Timeline and details for increased allotment funding
- Expanded technical support through Education Service Centers
- Enhanced TIA application process
- Designations for National Board Certified Teachers

Please share this information with appropriate district staff.

### **New Designation Level: Acknowledged**

Beginning in the 2026–2027 school year, districts with local designation systems may designate teachers at the new Acknowledged level based on their performance during the current 2025–2026 school year.

However, reaching those designations still requires reaching an objective level of performance. Using statewide teacher performance data, the Texas Education Agency (TEA) established objective performance standards to serve as guidelines for districts when evaluating teacher effectiveness and setting designation criteria. These performance standards are based on *statewide* percentages: Acknowledged represents the top 50% of Texas teachers, Recognized the top 33%, Exemplary the top 20%, and Master the top 5%. Designation rates within a given campus or school system may exceed or fall short of the statewide percentages. This will depend on the effectiveness of the teachers employed and the local designation criteria.

Teacher observation performance standards were determined using statewide T-TESS observation data. Student growth performance standards were determined through a value-added model using STAAR data over a five-year period (2014–2019). Having examined all teacher performance, both through T-TESS observational data and for student growth in STAAR over that five-year period,



objective statewide benchmarks were set based on the distribution of teacher performance within that time.

The table below outlines the performance standards for each designation level. These performance standards for the Acknowledged designation level will be finalized through Commissioner rulemaking.

| Designation Level   | Teacher Observation Performance Standards* | Student Growth Performance Standards** |
|---------------------|--|--|
| <b>Acknowledged</b> | <b>3.5, or 70% of possible points</b>      | <b>50%</b>                             |
| Recognized          | 3.7 or 74% of possible points              | 55%                                    |
| Exemplary           | 3.9 or 78% of possible points              | 60%                                    |
| Master              | 4.5 or 90% of possible points              | 70%                                    |

*\*Represents average of all dimensions in T-TESS Domains 2 and 3. Districts using a rubric other than T-TESS may refer to the percentage of possible points in observable dimensions*

*\*\*Represents the percentage of a teacher's students who met or exceeded the expected growth*

## Timeline for Increased Allotments

HB 2 provides a significant increase in the per-designation allotment payouts. Increased allotments under the revised TIA funding formula will take effect in the 2026–2027 school year. Districts participating in TIA should communicate this timeline to teachers with an active or pending designation to ensure clarity and alignment with future compensation expectations.

Key changes to the funding formula include:

- Increased multiplier amounts for the high needs and rural factor
- Funding for Acknowledged level and Nationally Board Certified designations. The base funding and multipliers will align with the current funding for Recognized designations, \$3k-\$9k.
- Increased base allotments and maximum amounts for Recognized, Exemplary, and Master teachers
  - Recognized \$5k-\$15k
  - Exemplary \$9k-\$25k
  - Master \$12k-\$36k

## Expanded Technical Support from Education Service Centers

To support districts in implementing and expanding TIA systems, TEA has partnered with regional education service centers (ESCs) across the state. ESCs provide broad technical assistance, including:

- Guidance on building and applying for new designation system
- Support for system implementation and renewal
- Assistance with teacher performance data collection and submission
- Specialized hubs for data collection, stakeholder engagement, rural cohorts, and student growth measures (Texas SLOs and portfolios)

Districts are encouraged to contact their regional ESC for tailored support. More information is available on the [TIA website](#).



## Enhanced TIA

TEA has released a [Letter of Intent \(LOI\)](#) to apply for an Enhanced TIA designation. Districts that either already have systems meeting [Enhanced TIA requirements](#) or plan to implement such systems for the 2026-2027 school year may complete the online Letter of Intent in preparation for the Enhanced TIA application this spring. Filing this letter of intent satisfies TEC, Sec. 48.158 with regard to authority related to spending Teacher Retention Allotment on increases to the salaries of classroom teachers for that year based on performance

TEA will share additional information regarding the Enhanced TIA Application process in December or January. For questions regarding the Enhanced TIA LOI process, please contact the TEA Strategic Compensation Team at [tia@tea.texas.gov](mailto:tia@tea.texas.gov).

## National Board Certification Review and Designation Pathway

HB2 creates a new level of designation for National Board Certificated Teachers (NBCTs), Nationally Board Certified, and allows the State Board for Educator Certification (SBEC) to review the National Board Certification process for alignment with Texas statute and standards.

NBCTs working as classroom teachers may receive or maintain a Recognized designation through the 2025-2026 school year. Beginning in the 2026-2027 school year, eligible NBCTs will transition to the Nationally Board Certified designation.

As a part of HB 2, the State Board of Educator Certification (SBEC) will review National Board certifications to reauthorize or revoke its eligibility as a pathway for TIA designation. The review will ensure that the certification requirements align and comply with relevant state laws and with the criteria adopted by the State Board of Education (SBOE) for the approval of instructional materials. To maintain the certification's eligibility for TIA, this review must be completed by December 31, 2026.

## For More Information

Please see the [TIA website](#) for more information. If your district is not yet participating in TIA but would like to receive information and updates, please email [tia@tea.texas.gov](mailto:tia@tea.texas.gov).