

DATE:	August 20, 2026
SUBJECT:	HB 2 Teacher Certification Incentive Update
CATEGORY:	Teacher Certification Incentive
NEXT STEPS:	Share with school system administrators and business staff

Overview

Texas Education Code (TEC) § 21.0033 established the Teacher Certification Incentive to provide districts with a one-time payment for each eligible classroom teacher who completes all required employment history and educator preparation components, culminating in the issuance of a standard certificate by the end of the 2026-27 school year.

For purposes of administering TEC § 21.0033, the Texas Education Agency (TEA) created a Teacher Certification Incentive (TCI) Report for all eligible districts that listed teachers who might qualify for the \$1,000 per eligible educator payments in fiscal years 2026 and 2027.

As a reminder, eligible teachers must meet all the following criteria:

- Hired as an uncertified first-year teacher in the 2022–2023 or 2023–2024 school year, and were still uncertified as of January 1, 2025;
- Achieved standard certification by the end of the 2026–2027 school year; and
- Continuously employed as a teacher by the district beginning in the 2022–2023 or 2023–2024 school year.

TCI Funding

TEA processed the fiscal year 2026 TCI payments to districts on July 24, 2026, and has posted an updated TCI report for all eligible districts. Updated reports can be found in the Foundation School Program (FSP) System in TEAL. To access the report, navigate to School District State Aid Reports. The report is found under the Foundation Allotment Reports (M&O State Aid) header and is called the Teacher Certification Incentive Report.

There is no requirement in law for how the TCI funds are to be used, and therefore, districts have local discretion to determine how TCI funds are utilized. For example, funds may be distributed directly to the teachers whose certifications generated the TCI payments, or districts may choose to invest the funds in other strategies that further support the recruitment, development, certification, and retention of educators. Districts are responsible for ensuring that all expenditures and distributions are made thoughtfully, equitably, and in alignment with program goals. Districts should maintain clear and comprehensive documentation regarding the allocation, distribution, and use of TCI funds to support transparency, accountability, and audit readiness.

The Teacher Certification Incentive will continue through the 2026–2027 school year. All eligible teachers must be standard certified by June 1, 2027, for their districts to qualify for an incentive payment.

A [Frequently Asked Questions document](#) has been prepared to support districts with the Teacher Certification Incentive process. If you have questions or need assistance, please [submit a TEA Help Desk Ticket](#) to Educator Certification with the Subject Line: Teacher Certification Incentive – Request for Assistance.