

Written Comments: Reviewing Pay Increases for Teachers

SENATE COMMITTEE ON EDUCATION | OCTOBER 6, 2026

SUBMITTED BY GABE GRANTHAM, DIRECTOR OF POLICY AND GOVERNMENT AFFAIRS

Chair Campbell and members of the committee, thank you for the opportunity to comment on the committee's charge to review teacher pay increases, including the investments in House Bill 2 (89th Legislature). Philanthropy Advocates is a membership organization of nearly 60 Texas foundations that are deeply invested in student success in rural, urban, and suburban communities across the state. Together we advocate for policies that give all Texas students a high-quality education, equipping them to pursue their dreams and enjoy lifelong economic mobility.

In our work, we aim to ensure every student is taught by effective educators who are well-prepared, supported, and compensated. Last session, the legislature made significant investments to do exactly that. The investment in teacher pay, targeted towards retaining teachers at critical points as they develop their effectiveness, the expansion of the Teacher Incentive Allotment, and the investment in teacher preparation and support through the PREP allotment all increase the amount of money that teachers are making at key moments in their careers and strengthen the sustainability of the teaching profession.

HB 2's Raises Are Working Where They Were Targeted

The Teacher Retention Allotment is permanent, rewards experience, and directs the most money to small districts. Districts must maintain the raises every year, and they count toward teachers' retirement benefits.¹

Teacher Retention Allotment, per teacher

Teacher experience	Districts with 5,000 or fewer students	Districts with more than 5,000 students
3 to 4 years	\$4,000	\$2,500
5 or more years	\$8,000	\$5,000

The first-year results show that these pay increases reached the teachers that they were intended for. According to the Texas Education Agency (TEA), the average Texas teacher earned \$68,020 in 2025-26, an increase of \$4,270 (6.3 percent) in one year. Pay grew fastest in small systems, cutting the gap between small and large systems from \$5,577 to \$3,187.² Statewide teacher attrition also fell to 12.1 percent, down from 12.9 percent the year before and a peak of 13.5 percent in 2022-23.³ While one year of improvement does not make a trend, this decrease in attrition is something Texas should celebrate.

¹ Texas Education Code §48.158 and Government Code §822.201, as added and amended by [HB 2, 89th Legislature, Regular Session \(2025\)](#).

² Texas Education Agency, "House Public Education Committee: Teacher Recruitment and Retention," presentation, June 1, 2026. TEA notes that 2025-26 salaries are beginning-of-year estimates that may undercount some TIA pay.

³ TEA, June 1, 2026 presentation.

Average teacher salary by school system size⁴

School system size	Systems	2024-25	2025-26	Change
5,000 or fewer students	1,013	\$57,859	\$64,148	+10.9%
More than 5,000 students	211	\$63,436	\$67,335	+6.2%

TIA Rewards Excellence and Is Reaching Rural Texas

The Teacher Incentive Allotment (TIA), created in 2019 and expanded by HB 2, pays Texas's most effective teachers more, gives them a path to earning a six-figure salary, and keeps them in the classroom with recent research showing a significant impact on student achievement. In 2025-26, more than 800 districts received TIA funds for over 65,000 designated teachers, and TEA projects TIA will provide more than \$1 billion in 2026-27. Designated teachers stay in their districts at a 90 percent rate, compared with 81 percent of other teachers.⁵ Students in fully approved TIA districts were also 9.1 percent more likely to meet grade level on the math STAAR than similar students in non-TIA districts.⁶

TIA is also one of the state's strongest tools for closing the rural pay gap. TIA amounts rise with the rurality and student need of a teacher's campus, and beginning in 2026-27, HB 2 allows a single Master designation to generate up to \$36,000 per teacher, up from \$32,000.⁷

Rural districts are increasingly implementing TIA systems; TEA projects 84 percent of rural districts will participate in 2026-27, up from 63 percent in 2025-26.⁸ Because new systems spend time validating data before designations are paid, the next few years are when that participation turns into paychecks.

Districts participating in the Teacher Incentive Allotment⁹

School year	All districts	Rural districts
2023-24	481 (40%)	250 (33%)
2024-25	597 (49%)	329 (43%)
2025-26	809 (66%)	475 (63%)
2026-27 (projected)	1,018 (83%)	629 (84%)

PREP Adds Pay at the Start of a Teacher's Career

The retention allotment starts in year three. The Preparing and Retaining Educators through Partnerships (PREP) allotment covers the years before that. It funds paid resident stipends of at least \$20,000 for teacher candidates, stipends of at least \$1,000 for mentor teachers supporting new teachers, and degree and certification costs for Grow Your Own candidates.¹⁰ A paid residency replaces the unpaid student-teaching semester that pushes many aspiring teachers toward uncertified routes, and early Texas

⁴ TEA, June 1, 2026 presentation.

⁵ TEA, June 1, 2026 presentation.

⁶ TEA, June 1, 2026 presentation.

⁷ Texas Education Code §48.112(c)-(d), as amended by HB 2, 89th Legislature, Regular Session (2025).

⁸ TEA, June 1, 2026 presentation. 2026-27 participation is projected from submitted applications and is not final.

⁹ TEA, June 1, 2026 presentation; 2026-27 is projected from applications.

¹⁰ Texas Education Code §§48.157 and 21.901-21.911, as added by HB 2; TEA, [PREP Guidebook Addendum](#).



research finds paid residents are 9.4 percentage points more likely than other new teachers to return for a second year.¹¹

Demand is strong. As of September 11, 8,260 educators in 457 school systems were enrolled in PREP programs in its first year. At this point in the process though, rural systems are underrepresented in the districts participating in PREP. Establishing up a residency requires a preparation program partner and a funded position, which can be harder for districts that are smaller or more remote.

Protect the Value of the Raises

A raise only improves a teacher's income if it is not absorbed elsewhere. The Governor's Teacher Vacancy Task Force recognized this in 2023, recommending that the state reduce teacher health care costs and expand access to child care and other benefits.¹²

Health care. Since 2012, the average Texas teacher salary has grown about 41%, while the enrollment-weighted average TRS-ActiveCare premium has grown about 80% over the same period, roughly **twice** the pace of pay, driven mainly by provider consolidation and higher prices.¹³ Buying down premiums each legislative session helps, but if prices keep outpacing pay, part of every future raise will go to health insurance. Texas has the opportunity to make changes to the TRS-ActiveCare system to increase teacher take-home pay, including adopting value-based and market-competitive payment models within TRS-ActiveCare to lower prices and reward high-quality care.

Paid maternity leave. Texas does not provide or require paid maternity leave for teachers, so a teacher who has a baby must use her accumulated sick days and then take unpaid leave. Sixteen states now require districts to offer teachers paid leave after the birth or adoption of a child, and the National Council on Teacher Quality estimates about 4,462 Texas teachers leave each year for family reasons.¹⁴ In 2023, the Legislature gave state agency employees up to 40 days of paid leave after giving birth,¹⁵ and doing the same for teachers would complement the retention goals of HB 2.

Recommendations

- 1. Protect the Teacher Retention Allotment** as a permanent, experience-based investment, including the higher amounts for small districts.
- 2. Help rural districts move from TIA approval to paid designations** by investing in more local designation system grants and regional support through education service centers.
- 3. Protect the PREP Allotment as a permanent investment to increase the supply of well-prepared educators and help rural districts access PREP** by supporting partnerships between small districts and educator preparation programs and investing in greater technical assistance.
- 4. Lower teacher health care costs at the source and provide paid maternity leave** for teachers.

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¹¹ Golden et al. (2025), as presented in TEA, June 1, 2026 presentation.

¹² Teacher Vacancy Task Force recommendations (2023), as summarized by [Texas 2036](#).

¹³ Texas 2036, "[How Health Insurance Premiums Squeeze Teacher Paychecks](#)," October 2026 2026.

¹⁴ National Council on Teacher Quality, "[Build strong families and classrooms with paid parental leave: Texas](#)," January 2026.

¹⁵ Texas Government Code §661.9125; Texas State Auditor's Office, [Guide to Sick, Parental, and Related Leave](#), October 2023.

