

1-1 By: Buckley, et al. (Senate Sponsor - Creighton) H.B. No. 2
1-2 (In the Senate - Received from the House April 22, 2025;
1-3 April 23, 2025, read first time and referred to Committee on
1-4 Education K-16; May 20, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 9, Nays 0, two
1-6 present not voting; May 20, 2025, sent to printer.)

1-7	COMMITTEE VOTE				
1-8		Yea	Nay	Absent	PNV
1-9	Creighton	X			
1-10	Campbell	X			
1-11	Bettencourt	X			
1-12	Hagenbuch	X			
1-13	Hinojosa of Nueces	X			
1-14	King	X			
1-15	Menéndez				X
1-16	Middleton	X			
1-17	Parker	X			
1-18	Paxton	X			
1-19	West				X

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 2 By: Bettencourt

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to public education and public school finance.
1-24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-25 ARTICLE 1. TEACHER COMPENSATION
1-26 SECTION 1.01. Section 21.3521, Education Code, is amended
1-27 by amending Subsections (a), (c), and (e) and adding Subsections
1-28 (c-1), (d-1), (d-2), and (d-3) to read as follows:
1-29 (a) Subject to Subsection (b), a school district or
1-30 open-enrollment charter school may designate a classroom teacher as
1-31 a master, exemplary, ~~or~~ recognized, or acknowledged teacher for a
1-32 five-year period based on the results from single year or multiyear
1-33 appraisals that comply with Section 21.351 or 21.352.
1-34 (c) Notwithstanding performance standards established
1-35 under Subsection (b) and subject to authorization under Section
1-36 21.3523, a classroom teacher that holds a National Board
1-37 Certification issued by the National Board for Professional
1-38 Teaching Standards may be designated as nationally board certified
1-39 ~~[recognized]~~.
1-40 (c-1) A classroom teacher's designation under Subsection
1-41 (c) is valid for a five-year period, regardless of whether the State
1-42 Board for Educator Certification subsequently revokes
1-43 authorization for a nationally board certified teacher designation
1-44 under Section 21.3523.
1-45 (d-1) Each school year, the commissioner shall, using
1-46 criteria developed by the commissioner, designate as enhanced
1-47 teacher incentive allotment systems school districts and
1-48 open-enrollment charter schools that implement comprehensive
1-49 school evaluation and support systems. The criteria developed by
1-50 the commissioner must require a district or school to:
1-51 (1) for principals and assistant principals,
1-52 implement:
1-53 (A) a strategic evaluations system aligned with
1-54 the district's or school's teacher designation system; and
1-55 (B) a compensation system based on performance;
1-56 (2) ensure that under the district's or school's
1-57 teacher designation system substantially all classroom teachers,
1-58 regardless of the grade level or subject area to which the teacher
1-59 is assigned, are eligible to earn a designation under Subsection
1-60 (a);

(3) implement for all classroom teachers a compensation plan based on performance that:

(A) uses a salary schedule that differentiates among classroom teachers based on staff appraisals; and

(B) does not include across-the-board salary increases for classroom teachers except for periodic changes to the district's or school's salary schedule to adjust for significant inflation; and

(4) implement a locally designed plan to place highly effective teachers at high needs campuses and in accordance with Section 28.0062(a)(3).

(d-2) The commissioner may designate a school district or open-enrollment charter school as an enhanced teacher incentive allotment system under Subsection (d-1) only if the district or school has implemented a local optional teacher designation system under this section.

(d-3) The commissioner may remove a school district's or open-enrollment charter school's designation under Subsection (d-1) if the commissioner determines the district or school no longer meets the criteria for the designation.

(e) The agency shall develop and provide technical assistance for school districts and open-enrollment charter schools that request assistance in implementing a local optional teacher designation system, including:

(1) providing assistance in prioritizing high needs campuses;

(2) providing examples or models of local optional teacher designation systems to reduce the time required for a district or school to implement a teacher designation system;

(3) providing examples or models of local optional teacher designation systems that implement a teacher designation system for teachers of special populations, including special education and bilingual education;

(4) establishing partnerships between districts and schools that request assistance and districts and schools that have implemented a teacher designation system;

(5) applying the performance and validity standards established by the commissioner under Subsection (b);

(6) providing centralized support for the analysis of the results of assessment instruments administered to district students; and

(7) facilitating effective communication on and promotion of local optional teacher designation systems.

SECTION 1.02. Subchapter H, Chapter 21, Education Code, is amended by adding Sections 21.3522 and 21.3523 to read as follows:

Sec. 21.3522. LOCAL OPTIONAL TEACHER DESIGNATION SYSTEM GRANT PROGRAM. (a) From funds appropriated or otherwise available for the purpose, the agency shall establish and administer a grant program to provide money and technical assistance to:

(1) expand implementation of local optional teacher designation systems under Section 21.3521; and

(2) increase the number of classroom teachers eligible for a designation under that section.

(b) A grant awarded under this section must:

(1) meet the needs of individual school districts; and

(2) enable regional leadership capacity.

(c) The commissioner may adopt rules as necessary to implement this section.

Sec. 21.3523. REVIEW AND AUTHORIZATION OF NATIONALLY BOARD CERTIFIED TEACHER DESIGNATION. (a) The State Board for Educator Certification may periodically review National Board Certifications issued by the National Board for Professional Teaching Standards to determine whether to reauthorize or revoke authorization for the nationally board certified teacher designation under Section 21.3521(c). If the board revokes authorization, the board may at any time conduct a review under this subsection to determine whether to reauthorize the nationally board certified teacher designation.

(b) A review under Subsection (a) must evaluate whether the components and assessments required for a National Board Certification align and comply with state law, including whether:

(1) earning a National Board Certification would interfere with the certificate holder's ability to provide:

(A) instruction in the essential knowledge and skills without using common core state standards, as defined by Section 28.002;

(B) phonics instruction in accordance with Section 28.0062 and without using three-cueing, as prohibited by Subsection (a-1) of that section; or

(C) instruction in accordance with:

(i) the instructional requirements and prohibitions under Section 28.0022; or

(ii) any other applicable state law; and

(2) the components and assessments align with the criteria adopted by the State Board of Education under Section 31.022 for the approval of instructional materials.

(c) Not later than December 31, 2026, the State Board for Educator Certification shall conduct an initial review under Subsection (a) of National Board Certifications issued by the National Board for Professional Teaching Standards and reauthorize or revoke the nationally board certified teacher designation under Section 21.3521(c). If the board fails to reauthorize the designation by that date, the authorization for the designation is revoked. This subsection expires September 1, 2027.

SECTION 1.03. Subchapter I, Chapter 21, Education Code, is amended by adding Section 21.417 to read as follows:

Sec. 21.417. RESOURCES, INCLUDING LIABILITY INSURANCE, FOR CLASSROOM TEACHERS. (a) From funds appropriated or otherwise available for the purpose, the agency shall contract with a third party to provide the following services for a classroom teacher employed under a probationary, continuing, or term contract:

(1) assistance in understanding the teacher's rights, duties, and benefits; and

(2) liability insurance to protect a teacher against liability to a third party based on conduct that the teacher allegedly engaged in during the course of the teacher's duties.

(b) A school district may not interfere with a classroom teacher's access to services provided under this section.

(c) A contract entered into by the agency to provide services under Subsection (a) must prohibit the entity with which the agency contracts from using funds received under the contract to engage in:

(1) conduct that a state agency using appropriated money is prohibited from engaging in under Chapter 556, Government Code; and

(2) political activities or advocate for issues regarding public schools, including for boards of trustees of school districts or school districts.

(d) This section may not be interpreted to interfere with a classroom teacher's or other school district employee's exercise of a right protected by the First Amendment to the United States Constitution.

SECTION 1.04. The heading to Section 22.001, Education Code, is amended to read as follows:

Sec. 22.001. SALARY DEDUCTIONS FOR PROFESSIONAL OR OTHER DUES.

SECTION 1.05. Sections 22.001(a) and (b), Education Code, are amended to read as follows:

(a) A school district employee is entitled to have an amount deducted from the employee's salary for membership fees or dues to a professional organization or an entity providing services to classroom teachers under Section 21.417. The employee must:

(1) file with the district a signed written request identifying the organization or entity ~~[and specifying the number of pay periods per year the deductions are to be made]~~; and

(2) inform the district of the total amount of the fees and dues for each year or have the organization or entity notify the

4-1 district of the amount.

4-2 (b) The district shall deduct the total amount of the fees
4-3 or dues for a year in equal amounts per pay period ~~[for the number of~~
4-4 ~~periods specified by the employee]~~. The district shall notify the
4-5 employee not later than the 45th day after the district receives a
4-6 request under Subsection (a) of the number of pay periods annually
4-7 from which the district will deduct the fees or dues. The
4-8 deductions shall be made until the employee requests in writing
4-9 that the deductions be discontinued.

4-10 SECTION 1.06. Section 48.112, Education Code, is amended by
4-11 amending Subsections (c), (d), and (i) and adding Subsection (g-1)
4-12 to read as follows:

4-13 (c) For each classroom teacher with a teacher designation
4-14 under Section 21.3521 employed by a school district, the school
4-15 district is entitled to an allotment equal to the following
4-16 applicable base amount increased by the high needs and rural factor
4-17 as determined under Subsection (d):

4-18 (1) \$12,000, or an increased amount not to exceed
4-19 \$36,000 [~~\$32,000~~] as determined under Subsection (d), for each
4-20 master teacher;

4-21 (2) \$9,000 [~~\$6,000~~], or an increased amount not to
4-22 exceed \$25,000 [~~\$18,000~~] as determined under Subsection (d), for
4-23 each exemplary teacher; ~~[and]~~

4-24 (3) \$5,000 [~~\$3,000~~], or an increased amount not to
4-25 exceed \$15,000 [~~\$9,000~~] as determined under Subsection (d), for
4-26 each recognized teacher; and

4-27 (4) \$3,000, or an increased amount not to exceed
4-28 \$9,000 as determined under Subsection (d), for each:

4-29 (A) acknowledged teacher; or

4-30 (B) nationally board certified teacher.

4-31 (d) The high needs and rural factor is determined by
4-32 multiplying the following applicable amounts by the average of the
4-33 point value assigned to each student at a district campus under
4-34 Subsection (e):

4-35 (1) \$6,000 [~~\$5,000~~] for each master teacher;

4-36 (2) \$4,000 [~~\$3,000~~] for each exemplary teacher; ~~[and]~~

4-37 (3) \$2,500 [~~\$1,500~~] for each recognized teacher; and

4-38 (4) \$1,500 for each:

4-39 (A) acknowledged teacher; or

4-40 (B) nationally board certified teacher.

4-41 (g-1) For a district that is designated as an enhanced
4-42 teacher incentive allotment system under Section 21.3521(d-1), the
4-43 commissioner shall increase the amount to which the district is
4-44 entitled under this section by multiplying that amount by 1.1.

4-45 (i) A district shall annually certify that:

4-46 (1) funds received under this section were used as
4-47 follows:

4-48 (A) at least 90 percent of each allotment
4-49 received under Subsection (c) was used for the compensation of
4-50 teachers employed at the campus at which the teacher for whom the
4-51 district received the allotment is employed; ~~[and]~~

4-52 (B) for a district whose allotment was increased
4-53 under Subsection (g-1), the amount by which the allotment was
4-54 increased under that subsection was used to meet the criteria to
4-55 maintain a designation as an enhanced teacher incentive allotment
4-56 system under Section 21.3521(d-1); and

4-57 (C) any other funds received under this section
4-58 were used for costs associated with implementing Section 21.3521,
4-59 including efforts to support teachers in obtaining designations;
4-60 and

4-61 (2) the district prioritized high needs campuses in
4-62 the district in using funds received under this section.

4-63 SECTION 1.07. Subchapter D, Chapter 48, Education Code, is
4-64 amended by adding Section 48.158 to read as follows:

4-65 Sec. 48.158. TEACHER RETENTION ALLOTMENT. (a) In this
4-66 section, "classroom teacher" has the meaning assigned by Section
4-67 5.001, except that the term also includes:

4-68 (1) a person who is not required to hold a certificate
4-69 issued under Subchapter B, Chapter 21, who otherwise meets the

definition of a classroom teacher under Section 5.001; and

(2) a person, including a person described by Subdivision (1), employed by an entity with which a school district has entered into a contract who otherwise meets the definition of a classroom teacher under Section 5.001.

(b) A school district is entitled to an annual allotment for each classroom teacher who is employed by or contracts with the district for which the allotment is provided as follows:

(1) if the district has 5,000 or fewer students enrolled for the school year:

(A) \$5,000 for each classroom teacher who has at least three but less than five years of teaching experience; and

(B) \$10,000 for each classroom teacher who has five or more years of teaching experience; and

(2) if the district has more than 5,000 students enrolled for the school year:

(A) \$2,500 for each classroom teacher who has at least three but less than five years of teaching experience; and

(B) \$5,500 for each classroom teacher who has five or more years of teaching experience.

(b-1) Instead of the allotment under Subsection (b)(2), a school district described by that subdivision is entitled to funding under Subsection (b)(1) if the school district received an allotment under Subsection (b)(1) in a previous school year.

(c) For the 2025-2026 school year, a school district shall use money received under Subsection (b) to:

(1) increase the salary provided to each classroom teacher for which the district is entitled to funding under Subsection (b) for that year over the salary the teacher received or would have received if the teacher was employed by or contracted with the district in the 2024-2025 school year by at least the amount received per classroom teacher under Subsection (b); or

(2) if the school district is applying to be designated as an enhanced teacher incentive allotment system, increase the salaries of classroom teachers for that year based on performance.

(d) Except as provided by Subsection (e), for the 2026-2027 and each subsequent school year, a school district shall use money received under Subsection (b) to maintain the salary increases for classroom teachers provided under Subsection (c). Any additional funding generated for a school district under this section may only be used for the compensation of classroom teachers who are employed by or contract with the district and who have three or more years of experience.

(e) A school district that has been designated as an enhanced teacher incentive allotment system for the applicable school year may use money received under Subsection (b) to provide salaries to classroom teachers in accordance with the district's compensation plan.

(f) A school district that increases classroom teacher compensation in the 2025-2026 school year to comply with Subsection (c), as added by H.B. 2, 89th Legislature, Regular Session, 2025, is providing compensation for services rendered independently of an existing employment contract applicable to that school year and is not in violation of Section 53, Article III, Texas Constitution. This subsection expires September 1, 2027.

SECTION 1.08. Section 48.257, Education Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) If for any school year a school district receives an adjustment under Subsection (b) and, after that adjustment, is no longer subject to Subsection (a), the district is entitled to additional state aid for that school year in an amount equal to the lesser of:

(1) the difference, if the difference is greater than zero, between:

(A) the amount to which the district is entitled under Subchapters B, C, and D less the district's distribution from the available school fund for that school year; and

(B) the district's tier one maintenance and

operations tax collections for that school year; or

(2) the district's allotment under Section 48.158 for that school year.

SECTION 1.09. Sections 48.051(c), (c-1), (c-2), and (d), Education Code, are repealed.

SECTION 1.10. Not later than September 1, 2026, a school district or open-enrollment charter school shall redesignate a teacher who holds a recognized teacher designation under Section 21.3521(c), Education Code, on the basis of the teacher's national board certification, before the effective date of this article, to reflect the teacher's nationally board certified designation under Section 21.3521(c), Education Code, as amended by this article. A redesignation under this section is effective beginning September 1, 2026.

SECTION 1.11. (a) Except as provided by Subsections (b) and (c) of this section, this article takes effect immediately if this Act receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this article takes effect September 1, 2025.

(b) Sections 48.158 and 48.257(b-1), Education Code, as added by this article, take effect September 1, 2025.

(c) Section 48.112, Education Code, as amended by this article, takes effect September 1, 2026.

ARTICLE 2. EDUCATOR PREPARATION AND TEACHER RIGHTS

SECTION 2.01. Section 12A.004(a), Education Code, is amended to read as follows:

(a) A local innovation plan may not provide for the exemption of a district designated as a district of innovation from the following provisions of this title:

(1) a state or federal requirement applicable to an open-enrollment charter school operating under Subchapter D, Chapter 12;

(2) Subchapters A, C, D, and E, Chapter 11, except that a district may be exempt from Sections 11.1511(b)(5) and (14) and Section 11.162;

(3) the employment of uncertified classroom teachers under Section 21.0032;

(4) parental notification requirements under Section 21.057;

(5) state curriculum and graduation requirements adopted under Chapter 28; and

(6) ~~(4)~~ academic and financial accountability and sanctions under Chapters 39 and 39A.

SECTION 2.02. Section 19.007(g), Education Code, is amended to read as follows:

(g) In addition to other amounts received by the district under this section, the district is entitled to:

(1) state aid in the amount necessary to fund the salary increases required by Section 19.009(d-2); and

(2) the preparing and retaining educators through partnership program allotment under Section 48.157.

SECTION 2.03. Section 21.001, Education Code, is amended by adding Subdivision (3-b) to read as follows:

(3-b) "Teacher of record" means a person employed by a school district who teaches the majority of the instructional day in an academic instructional setting and is responsible for evaluating student achievement and assigning grades.

SECTION 2.04. Subchapter A, Chapter 21, Education Code, is amended by adding Sections 21.0032 and 21.0033 to read as follows:

Sec. 21.0032. EMPLOYMENT OF UNCERTIFIED CLASSROOM TEACHERS. (a) A school district may not employ as a teacher of record for a course in the foundation curriculum under Section 28.002 a person who does not hold an appropriate certificate or permit required by the State Board for Educator Certification under Subchapter B.

(a-1) Notwithstanding Subsection (a), on the receipt and approval of a plan submitted by a school district to the commissioner that provides a reasonable timeline and strategy to