School
Three Rivers High School

Senate Committee
Education

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Education

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Teacher Pay Raises Act

HB 4 - SB 2

Fiscal Note

State Government Impact

Estimated Two-Year Net Impact to General Revenue Related Funds: A negative impact of approximately ($2,000,000,000) through the biennium ending August 31, 2028.

Fiscal Analysis

The bill would amend the Education Code to provide every full-time classroom teacher in Texas with a $5,000 annual salary increase, beginning with the 2027–2028 school year. It would also provide a $3,000 annual salary supplement to teachers employed by school districts with fewer than 5,000 students.

The Texas Education Agency (TEA) would be responsible for determining district eligibility and distributing additional state aid through the Foundation School Program to fully fund both the salary increases and rural supplements.

Methodology

Based on average teacher counts reported by the Texas Education Agency, approximately 370,000 classroom teachers would qualify for the $5,000 increase, and an estimated 45,000 rural teachers would receive the additional $3,000 supplement.

The total annual cost to the Foundation School Program is estimated at roughly $2.0 billion statewide, including both components and accounting for associated benefit adjustments. The bill prohibits school districts from offsetting this state aid through local reductions, ensuring full implementation cost falls to the state.

Local Government Impact

School districts and charter schools would not experience additional local costs as the state would provide full funding through the Foundation School Program. Districts may benefit from improved teacher recruitment and retention.