

112TH CONGRESS
1ST SESSION

S. 1567

To amend title II of the Elementary and Secondary Education Act of 1965,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 15, 2011

Mr. ALEXANDER (for himself, Mr. ISAKSON, Mr. KIRK, Mr. ROBERTS, and
Mr. WICKER) introduced the following bill; which was read twice and re-
ferred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend title II of the Elementary and Secondary
Education Act of 1965, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Teacher and Principal
5 Improvement Act”.

6 **SEC. 2. HIGH-QUALITY TEACHERS AND PRINCIPALS.**

7 The Elementary and Secondary Education Act of
8 1965 (20 U.S.C. 6301 et seq.) is amended—

1 (1) by redesignating subpart 5 of part C of title
2 II as subpart 3 of part E of title IX and moving
3 that subpart to the end of part E of title IX;

4 (2) by redesignating sections 2361 through
5 2368 as sections 9541 through 9548, respectively;

6 (3) by striking the subpart heading of subpart
7 3 of part E of title IX, as redesignated by paragraph
8 (1), and inserting the following:

9 **“Subpart 3—Teacher Liability Protection”;**

10 (4) in section 9546, as redesignated by para-
11 graph (2), in subsection (b), by striking the matter
12 following paragraph (2) and inserting the following:

13 “(3) A State law that makes a limitation of li-
14 ability inapplicable if the civil action was brought by
15 an officer of a State or local government pursuant
16 to State or local law.”;

17 (5) by redesignating subpart 4 of part D of title
18 II as subpart 4 of part E of title IX and moving
19 that subpart to the end of part E of title IX;

20 (6) by redesignating section 2441 as section
21 9551;

22 (7) by striking the subpart heading of subpart
23 4 of title IX, as redesignated by paragraph (5), and
24 inserting the following:

1 **“Subpart 4—Internet Safety”;**

2 and

3 (8) by striking title II and inserting the fol-
4 lowing:

5 **“TITLE II—PREPARING, TRAIN-**
6 **ING, AND RECRUITING HIGH-**
7 **QUALITY TEACHERS AND**
8 **PRINCIPALS**

9 **“SEC. 2001. AUTHORIZATION OF APPROPRIATIONS.**

10 “(a) GRANTS TO STATES AND LOCAL EDUCATIONAL
11 AGENCIES.—There are authorized to be appropriated to
12 carry out this title \$3,285,993,842 for each of fiscal years
13 2012 through 2016.

14 “(b) NATIONAL ACTIVITIES.—From amounts appro-
15 priated under subsection (a) for each fiscal year, the Sec-
16 retary shall reserve not more than 5 percent to carry out
17 activities authorized under subpart 4 of part A.

18 “(c) TEACHER INCENTIVE FUND.—From amounts
19 appropriated under subsection (a) for each fiscal year that
20 remain after making the reservation under subsection (b),
21 the Secretary shall reserve not less than 20 percent to
22 carry out activities authorized under part B.

1 **“PART A—TEACHER AND PRINCIPAL TRAINING**
 2 **AND RECRUITMENT FUND**

3 **“SEC. 2101. PURPOSE.**

4 “The purpose of this part is to improve student aca-
 5 ademic achievement by improving teacher and principal
 6 quality and effectiveness and increasing the number of
 7 teachers and principals who are effective in improving stu-
 8 dent academic achievement in schools.

9 **“SEC. 2102. DEFINITIONS.**

10 “In this title:

11 “(1) CORE ACADEMIC SUBJECTS.—The term
 12 ‘core academic subjects’ means English, reading or
 13 language arts, writing, science, technology, engineer-
 14 ing, mathematics, foreign languages, civics and gov-
 15 ernment, economics, arts, history, and geography.

16 “(2) STATE.—The term ‘State’ means each of
 17 the 50 States, the District of Columbia, and the
 18 Commonwealth of Puerto Rico.

19 **“Subpart 1—Grants to States**

20 **“SEC. 2111. ALLOTMENTS TO STATES.**

21 “(a) IN GENERAL.—The Secretary shall make grants
 22 to States with applications approved under section 2112
 23 to pay for the Federal share of the cost of carrying out
 24 the activities specified in section 2113. Each grant shall
 25 consist of the allotment determined for a State under sub-
 26 section (b).

1 “(b) DETERMINATION OF ALLOTMENTS.—

2 “(1) RESERVATION OF FUNDS.—From the total
3 amount appropriated under section 2001(a) for a
4 fiscal year, the Secretary shall reserve—

5 “(A) one-half of 1 percent for allotments
6 for the United States Virgin Islands, Guam,
7 American Samoa, and the Commonwealth of
8 the Northern Mariana Islands, to be distributed
9 among those outlying areas on the basis of their
10 relative need, as determined by the Secretary,
11 in accordance with the purpose of this part; and

12 “(B) one-half of 1 percent for the Sec-
13 retary of the Interior for programs under this
14 part in schools operated or funded by the Bu-
15 reau of Indian Education.

16 “(2) STATE ALLOTMENTS.—

17 “(A) IN GENERAL.—Subject to subpara-
18 graph (B), from the amount appropriated under
19 section 2001(a) for a fiscal year that remains
20 after the Secretary makes the reservations
21 under paragraph (1), the Secretary shall allot
22 to each State with an approved application for
23 such fiscal year the sum of—

24 “(i) an amount that bears the same
25 relationship to 20 percent of the remaining

1 amount as the number of individuals age 5
2 through 17 in the State, as determined by
3 the Secretary on the basis of the most re-
4 cent satisfactory data, bears to the number
5 of those individuals in all such States, as
6 so determined; and

7 “(ii) an amount that bears the same
8 relationship to 80 percent of the remaining
9 amount as the number of individuals age 5
10 through 17 from families with incomes
11 below the poverty line, in the State, as de-
12 termined by the Secretary on the basis of
13 the most recent satisfactory data, bears to
14 the number of those individuals in all such
15 States, as so determined.

16 “(B) EXCEPTION.—No State receiving an
17 allotment under clause (A) may receive less
18 than one-half of 1 percent of the total remain-
19 ing amount allotted under such subparagraph
20 for a fiscal year.

21 **“SEC. 2112. STATE APPLICATIONS.**

22 “(a) IN GENERAL.—For a State to be eligible to re-
23 ceive a grant under this part, the State educational agency
24 shall submit an application to the Secretary at such time,

1 in such manner, and containing such information as the
2 Secretary may reasonably require.

3 “(b) CONTENTS.—Each application submitted under
4 this section shall include the following:

5 “(1) An assurance that the activities to be car-
6 ried out by the State educational agency under this
7 subpart will be based on a review of scientifically
8 valid research and an explanation of why the activi-
9 ties are expected to improve student academic
10 achievement.

11 “(2) An assurance that the State educational
12 agency will use funds under this part to improve the
13 quality of the State’s teachers and principals.

14 “(3) An assurance that the State educational
15 agency will coordinate professional development ac-
16 tivities authorized under this part with professional
17 development activities provided under other Federal,
18 State, and local programs.

19 “(4) An assurance that the State educational
20 agency will work in consultation with the entity re-
21 sponsible for teacher professional standards, certifi-
22 cation, and licensing, to ensure that the State activi-
23 ties carried out under this subpart are carried out
24 in conjunction with the entity responsible for such

1 standards, certification, and licensing under State
2 law.

3 “(5) An assurance that the State educational
4 agency will comply with section 9501 (regarding par-
5 ticipation by private school children and teachers).

6 “(6) A description of how the State educational
7 agency will use funds received under this title for
8 State-level activities described in section 2113(b).

9 “(c) DEEMED APPROVAL.—An application submitted
10 by a State educational agency pursuant to subsection (a)
11 shall be deemed to be approved by the Secretary unless
12 the Secretary makes a written determination, prior to the
13 expiration of the 120-day period beginning on the date on
14 which the Secretary received the application, that the ap-
15 plication fails to meet the requirements of this subpart.

16 “(d) DISAPPROVAL.—The Secretary shall not finally
17 disapprove an application submitted under this section, ex-
18 cept after giving the State educational agency notice and
19 an opportunity for a hearing.

20 “(e) NOTIFICATION.—If the Secretary finds that an
21 application submitted under this section is not in compli-
22 ance, in whole or in part, with this subpart, the Secretary
23 shall—

24 “(1) give the State educational agency notice
25 and an opportunity for a hearing; and

1 “(2) notify the State educational agency of the
2 finding of noncompliance and, in such notification,
3 shall—

4 “(A) cite the specific provisions in the ap-
5 plication that are not in compliance; and

6 “(B) request additional information, only
7 as to the noncompliant provisions, needed to
8 make the application compliant.

9 “(f) RESPONSE.—If the State educational agency re-
10 sponds to the Secretary’s notification described in sub-
11 section (e)(2) during the 45-day period beginning on the
12 date on which the agency received the notification, and
13 resubmits the application with the requested information
14 described in subsection (e)(2)(B), the Secretary shall ap-
15 prove or disapprove such application prior to the later of—

16 “(1) the expiration of the 45-day period begin-
17 ning on the date on which the application is resub-
18 mitted; or

19 “(2) the expiration of the 120-day period de-
20 scribed in subsection (e).

21 “(g) FAILURE TO RESPOND.—If the State edu-
22 cational agency does not respond to the Secretary’s notifi-
23 cation described in subsection (e)(2) during the 45-day pe-
24 riod beginning on the date on which the agency received

1 the notification, such application shall be deemed to be
2 disapproved.

3 **“SEC. 2113. STATE USE OF FUNDS.**

4 “(a) IN GENERAL.—A State that receives a grant
5 under section 2111 shall—

6 “(1) reserve 98.5 percent of the funds made
7 available through the grant to make subgrants to
8 local educational agencies as described in subpart 2;
9 and

10 “(2) use the remainder of the funds for State
11 activities described in subsection (b).

12 “(b) STATE ACTIVITIES.—The State educational
13 agency for a State that receives a grant under section
14 2111 shall use the funds described in subsection (a)(2)
15 to carry out 1 or more of the following activities, which
16 may be carried out through a grant or contract with a
17 for-profit or nonprofit entity:

18 “(1) Reforming teacher and principal certifi-
19 cation or licensing requirements to ensure that—

20 “(A) teachers have the necessary subject
21 matter knowledge and teaching skills in the
22 academic subjects that the teachers teach to
23 help students meet challenging State standards;

1 “(B) principals have the instructional lead-
2 ership skills to help teachers teach and to help
3 students meet challenging State standards; and

4 “(C) teacher certification or licensing re-
5 quirements are aligned with challenging State
6 standards.

7 “(2) Developing or improving teacher and prin-
8 cipal evaluation systems that shall be based in sig-
9 nificant part on evidence of student achievement.

10 “(3) Carrying out programs that establish, ex-
11 pand, or improve alternative routes for State certifi-
12 cation of teachers and principals, especially in the
13 areas of mathematics and science, for highly quali-
14 fied individuals with a bachelor’s or master’s degree,
15 including mid-career professionals from other occu-
16 pations, paraprofessionals, former military per-
17 sonnel, and recent college or university graduates
18 with records of academic distinction who dem-
19 onstrate the potential to become highly effective
20 teachers or principals.

21 “(4) Developing and implementing mechanisms
22 to assist local educational agencies and schools in ef-
23 fectively recruiting and retaining teachers and prin-
24 cipals who are effective in improving student aca-
25 demic achievement.

1 “(5) Reforming tenure systems.

2 “(6) Fulfilling the State educational agency’s
3 responsibilities concerning proper and efficient ad-
4 ministration and monitoring of the programs carried
5 out under this part, including provision of technical
6 assistance to local educational agencies.

7 “(7) Developing, or assisting local educational
8 agencies in developing, performance-based pay sys-
9 tems, and strategies that provide differential and
10 bonus pay for teachers in high-need academic sub-
11 jects and teachers or principals in high-poverty
12 schools and districts.

13 “(8) Developing, or assisting local educational
14 agencies in developing, teacher advancement initia-
15 tives that promote professional growth and empha-
16 size multiple career paths and pay differentiation.

17 “(9) Providing assistance to local educational
18 agencies for the development and implementation of
19 professional development programs for principals
20 that enable the principals to be effective school lead-
21 ers and prepare all students to meet challenging
22 State academic content and student academic
23 achievement standards, and the development and
24 support of school leadership academies to develop
25 educational leaders.

1 cational agencies in the State for a fiscal year the
2 sum of—

3 “(A) an amount that bears the same rela-
4 tionship to 20 percent of the funds for such fis-
5 cal year as the number of individuals age 5
6 through 17 in the geographic area served by the
7 agency, as determined by the Secretary on the
8 basis of the most recent satisfactory data, bears
9 to the number of those individuals in the geo-
10 graphic areas served by all the local educational
11 agencies in the State, as so determined; and

12 “(B) an amount that bears the same rela-
13 tionship to 80 percent of the funds for such fis-
14 cal year as the number of individuals age 5
15 through 17 from families with incomes below
16 the poverty line in the geographic area served
17 by the agency, as determined by the Secretary
18 on the basis of the most recent satisfactory
19 data, bears to the number of those individuals
20 in the geographic areas served by all the local
21 educational agencies in the State, as so deter-
22 mined.

1 **“SEC. 2122. LOCAL APPLICATIONS AND NEEDS ASSESS-**
2 **MENT.**

3 “(a) IN GENERAL.—To be eligible to receive a
4 subgrant under this subpart, a local educational agency
5 shall submit an application to the State educational agen-
6 cy at such time, in such manner, and containing such in-
7 formation as the State educational agency may reasonably
8 require.

9 “(b) NEEDS ASSESSMENT.—

10 “(1) IN GENERAL.—To be eligible to receive a
11 subgrant under this subpart, a local educational
12 agency shall conduct a comprehensive needs assess-
13 ment, based on student academic achievement, iden-
14 tified by the local educational agency and school
15 staff, including—

16 “(A) increasing the number of teachers
17 and principals who are effective in improving
18 student academic achievement;

19 “(B) ensuring that low-income and minor-
20 ity students are served by effective teachers and
21 principals and have access to a high-quality in-
22 structional program in the core academic sub-
23 jects;

24 “(C) hiring, retention, and promotion;

1 “(D) understanding and using data and
2 assessments to improve student learning and
3 classroom practice;

4 “(E) improving student behavior in the
5 classroom and school, including the identifica-
6 tion of early and appropriate interventions; and

7 “(F) teaching students who are English
8 language learners and students with disabilities.

9 “(2) CONSULTATION.—

10 “(A) IN GENERAL.—In conducting a needs
11 assessment as described in paragraph (1), a
12 local educational agency shall—

13 “(i) involve teachers, principals, pupil
14 services personnel, parents, community-
15 based organizations, and others with rel-
16 evant and demonstrated expertise in pro-
17 grams and activities designed to meet the
18 purpose of this part; and

19 “(ii) take into account the activities
20 that need to be conducted in order to give
21 teachers and principals the skills to provide
22 students with the opportunity to meet chal-
23 lenging State standards.

24 “(B) CONTINUED CONSULTATION.—A local
25 educational agency shall consult with such indi-

1 individuals and organizations described in subpara-
2 graph (A) on an ongoing basis in order to—

3 “(i) seek advice regarding how best to
4 improve the local educational agency’s ac-
5 tivities to meet the purpose of this part;
6 and

7 “(ii) coordinate the local educational
8 agency’s activities under this part with
9 other related strategies, programs, and ac-
10 tivities being conducted in the community.

11 “(c) CONTENTS.—Each application submitted under
12 this section shall be based on the results of the needs as-
13 sessment required under subsection (b) and shall include
14 the following:

15 “(1) A description of the results of the com-
16 prehensive needs assessment carried out under sub-
17 section (b).

18 “(2) A description of the activities to be carried
19 out by the local educational agency under this sub-
20 part and how these activities will be aligned with
21 State standards and assessments.

22 “(3) A description of how the activities will be
23 based on a review of scientifically valid research and
24 an explanation of why the activities are expected to
25 improve student academic achievement.

1 “(4) A description of how the activities will
2 have a substantial, measurable, and positive impact
3 on student academic achievement and how the activi-
4 ties will be used as part of a broader strategy to
5 eliminate the achievement gap.

6 “(5) A description of the program activities to
7 be conducted in the schools served by the local edu-
8 cational agency.

9 “(6) A description of the professional develop-
10 ment activities that will be made available to teach-
11 ers and principals to meet needs identified by the
12 needs assessment described in subsection (b).

13 “(7) A description of how the local educational
14 agency will support efforts to train teachers and
15 principals to effectively integrate technology into
16 curricula and instruction.

17 “(8) An assurance that the local educational
18 agency will comply with section 9501 (regarding par-
19 ticipation by private school children and teachers).

20 “(9) An assurance that the local educational
21 agency will target funds to schools served by the
22 agency that are identified under section
23 1114(a)(1)(B) and have the highest percentage or
24 number of children counted under section 1124(c).

1 “(10) An assurance that the local educational
2 agency will coordinate professional development ac-
3 tivities authorized under this subpart with profes-
4 sional development activities provided through other
5 Federal, State, and local programs.

6 **“SEC. 2123. LOCAL USE OF FUNDS.**

7 “(a) IN GENERAL.—A local educational agency that
8 receives a subgrant under section 2121 shall use the funds
9 made available through the subgrant to carry out 1 or
10 more of the following activities, which may be carried out
11 through a grant or contract with a for-profit or nonprofit
12 entity:

13 “(1) Meeting the needs identified in the needs
14 assessment described in 2122(b).

15 “(2) Developing or improving a rigorous, trans-
16 parent, and fair evaluation system for teachers and
17 principals that shall be based in significant part on
18 evidence of student achievement.

19 “(3) Developing and implementing initiatives to
20 assist in recruiting, hiring, and retaining effective
21 teachers and principals, particularly in high-poverty
22 schools with high percentages of ineffective teachers
23 and high percentages of students who do not meet
24 State-determined proficient levels of achievement in

1 the core academic subjects, including initiatives that
2 provide—

3 “(A) differential, incentive, or bonus pay
4 for teachers in high-need academic subject
5 areas and specialty areas;

6 “(B) performance-based pay systems for
7 teachers and principals;

8 “(C) teacher advancement, professional
9 growth, and emphasis on multiple career paths
10 and pay differentiation; and

11 “(D) new teacher and principal induction
12 and mentoring programs that are designed to
13 improve instruction, student learning and
14 achievement, and to increase teacher and prin-
15 cipal retention.

16 “(4) Recruiting qualified individuals from other
17 fields, including mid-career professionals from other
18 occupations, former military personnel, and recent
19 graduates of an institution of higher education with
20 a record of academic distinction who demonstrate
21 potential to become effective teachers or principals.

22 “(5) Establishing, improving, or expanding
23 model instructional programs in the core academic
24 subjects to ensure that all children receive a well-
25 rounded and complete education.

1 “(6) Providing high-quality professional devel-
2 opment for teachers and principals focused on im-
3 proving teaching and student learning and achieve-
4 ment in the core academic subjects, including sup-
5 porting efforts to train teachers and principals to ef-
6 fectively integrate technology into curricula and in-
7 struction.

8 “(7) Developing programs and activities that
9 increase the ability of teachers to effectively teach
10 students with disabilities, including students with
11 significant cognitive disabilities, which may include
12 the use of response to intervention and positive be-
13 havioral intervention and supports, and students
14 who are English language learners so that such stu-
15 dents can meet State academic content and student
16 academic achievement standards.

17 “(8) Providing students with increased access
18 to up-to-date school library materials, a well-
19 equipped, technologically advanced school library
20 media center, and well-trained professionally cer-
21 tified school library media specialists.

22 “(9) Providing programs and activities to help
23 students prepare for postsecondary level coursework
24 in the core academic subjects, including early college
25 or dual enrollment programs, Advanced Placement

1 and International Baccalaureate programs, and
2 other advanced learning programs, including pro-
3 grams to meet the educational needs of gifted and
4 talented students.

5 “(10) Providing programs that support ex-
6 tended learning opportunities in the core academic
7 subjects, including before and after school programs,
8 summer school programs, and programs that extend
9 the school day, week, or school-year calendar.

10 “(11) Carrying out other activities identified by
11 the local educational agencies that meet the purpose
12 of this part.

13 “(b) ADMINISTRATIVE COSTS.—A local educational
14 agency that receives a subgrant under section 2121 may
15 use not more than 2 percent of the subgrant funds for
16 the direct administrative costs of carrying out its respon-
17 sibilities under this subpart.

18 “(c) SUPPLEMENT, NOT SUPPLANT.—Funds re-
19 ceived under this subpart shall be used to supplement, and
20 not supplant, non-Federal funds that would otherwise be
21 used for activities authorized under this subpart.

1 **“Subpart 3—Accountability**

2 **“SEC. 2141. REPORTING.**

3 “(a) IN GENERAL.—Each State educational agency
4 receiving funds under this part shall submit to the Sec-
5 retary a report that provides—

6 “(1) the number of teachers and principals in
7 the State who are licensed and certified;

8 “(2) the number of teachers in the State who
9 are licensed and certified to teach in their field of
10 study;

11 “(3) the number of teachers and principals in
12 the State who have received emergency licensure;

13 “(4) the passage rate of teacher and principal
14 licensure examinations; and

15 “(5) if applicable, results of teacher and prin-
16 cipal evaluation systems.

17 “(b) LOCAL EDUCATIONAL AGENCY REPORT.—Each
18 local educational agency receiving funds under this sub-
19 part shall submit to the State educational agency such in-
20 formation that the State requires, which shall include the
21 information listed in subsection (a).

22 “(c) AVAILABILITY.—The reports and information
23 provided under subsections (a) and (b) shall be made read-
24 ily available to the public.

1 **“Subpart 4—National Activities**

2 **“SEC. 2151. NATIONAL ACTIVITIES OF DEMONSTRATED EF-**
3 **FECTIVENESS.**

4 “(a) TECHNICAL ASSISTANCE AND NATIONAL EVAL-
5 UATION.—From the funds reserved by the Secretary
6 under section 2001(b) to carry out this subpart, the Sec-
7 retary may reserve not more than 20 percent to carry out
8 directly or through grants and contracts—

9 “(1) technical assistance to States and local
10 educational agencies carrying out activities under
11 this part; and

12 “(2) national evaluations of activities carried
13 out by States and local educational agencies under
14 this part.

15 “(b) PROGRAMS OF NATIONAL SIGNIFICANCE.—
16 From the funds reserved by the Secretary under section
17 2001(b), the Secretary shall award grants, on a competi-
18 tive basis, to national nonprofit organizations with a dem-
19 onstrated record of meeting the purpose of this part for
20 teacher or principal preparation and professional develop-
21 ment activities and programs.

22 “(c) COST-SHARING.—

23 “(1) IN GENERAL.—A national nonprofit orga-
24 nization that receives a grant under this section,
25 shall provide, from non-Federal sources, not less

1 than 50 percent of the funds for the total cost for
 2 each year of activities carried out under this section.

3 “(2) ACCEPTABLE CONTRIBUTIONS.—A na-
 4 tional nonprofit organization that receives a grant
 5 under this section may meet the requirement of
 6 paragraph (1) by providing contributions in cash or
 7 in kind, fairly evaluated, including plant, equipment,
 8 and services.

9 “(3) WAIVERS.—The Secretary may waive or
 10 modify the requirement of paragraph (1) in cases of
 11 demonstrated financial hardship.

12 **“SEC. 2152. PROHIBITION AGAINST FEDERAL MANDATES,
 13 DIRECTION, OR CONTROL.**

14 “Nothing in this part shall be construed to authorize
 15 the Secretary or any other officer or employee of the Fed-
 16 eral Government to mandate, direct, control, or exercise
 17 any direction or supervision over a State, local educational
 18 agency, or school’s instructional content or materials, cur-
 19 riculum, program of instruction, academic content and
 20 student academic achievement standards, or academic as-
 21 sessments.

22 **“PART B—TEACHER INCENTIVE FUND**

23 **“SEC. 2201. PURPOSES; DEFINITIONS.**

24 “(a) PURPOSES.—The purposes of this part are—

1 “(1) to assist States, local educational agencies,
2 and nonprofit organizations to develop, implement,
3 improve, or expand comprehensive performance-
4 based compensation systems for teachers and prin-
5 cipals, especially for teachers and principals in high-
6 need schools, who raise student academic achieve-
7 ment and close the achievement gap; and

8 “(2) to study and review performance-based
9 compensation systems for teachers and principals to
10 evaluate the effectiveness, fairness, quality, consist-
11 ency, and reliability of the systems.

12 “(b) DEFINITIONS.—In this part:

13 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
14 tity’ means—

15 “(A) a local educational agency or a con-
16 sortium of local educational agencies, including
17 a charter school that is a local educational
18 agency;

19 “(B) a State educational agency, or other
20 State agency designated by the chief executive
21 of a State to participate under this part; or

22 “(C) a partnership consisting of—

23 “(i) one or more agencies described in
24 subparagraph (A) or (B); and

1 “(ii) at least 1 nonprofit or for-profit
2 organization.

3 “(2) HIGH-NEED LOCAL EDUCATIONAL AGEN-
4 CY.—The term ‘high-need local educational agency’
5 means a local educational agency—

6 “(A)(i) that serves not fewer than 10,000
7 children from families with incomes below the
8 poverty line; or

9 “(ii) for which not less than 20 percent of
10 the children served by the agency are from fam-
11 ilies with incomes below the poverty line; and

12 “(B)(i) for which there is a high percent-
13 age of teachers not teaching in the academic
14 subjects or grade levels that the teachers were
15 trained to teach; or

16 “(ii) for which there is a high percentage
17 of teachers with emergency, provisional, or tem-
18 porary certification or licensing.

19 “(3) HIGH-NEED SCHOOL.—The term ‘high-
20 need school’ means a school that—

21 “(A) is located in an area in which the per-
22 centage of students from families with incomes
23 below the poverty line is 30 percent or more; or

24 “(B)(i) has a high percentage of out-of-
25 field teachers;

1 “(ii) is within the top quartile of elemen-
 2 tary schools and secondary schools statewide, as
 3 ranked by the number of unfilled, available
 4 teaching positions at the schools;

5 “(iii) has a high teacher turnover rate; or

6 “(iv) has a high percentage of teachers
 7 who are not certified or licensed.

8 “(4) PERFORMANCE-BASED COMPENSATION
 9 SYSTEM.—The term ‘performance-based compensa-
 10 tion system’ means a system of compensation for
 11 teachers and principals that—

12 “(A) differentiates levels of compensation
 13 primarily on the basis of measurable increases
 14 in student academic achievement; and

15 “(B) may include—

16 “(i) differentiated levels of compensa-
 17 tion on the basis of effective teachers’ and
 18 principals’ employment and success in
 19 hard-to-staff schools or high-need subject
 20 areas; and

21 “(ii) recognition of the skills and
 22 knowledge of teachers and principals as
 23 demonstrated through—

1 “(I) successful fulfillment of ad-
2 ditional responsibilities or job func-
3 tions; and

4 “(II) evidence of high achieve-
5 ment and mastery of content knowl-
6 edge and superior teaching skills.

7 **“SEC. 2202. TEACHER INCENTIVE FUND GRANTS.**

8 “(a) IN GENERAL.—From the amounts appropriated
9 to carry out this part, the Secretary is authorized to award
10 grants, on a competitive basis, to eligible entities to enable
11 the eligible agencies to develop, implement, improve, or ex-
12 pand a performance-based compensation system in a
13 school served by a project under this part.

14 “(b) PRIORITY.—In awarding a grant under this
15 part, the Secretary shall give priority to an eligible entity
16 that concentrates the activities proposed to be assisted
17 under the grant on teachers and principals serving in high-
18 need schools.

19 “(c) APPLICATIONS.—To be eligible to receive a grant
20 under this part, an eligible entity shall submit an applica-
21 tion to the Secretary, at such time and in such manner
22 as the Secretary may reasonably require. The application
23 shall include—

1 “(1) a description of the performance-based
2 compensation system that the eligible entity pro-
3 poses to develop, implement, improve, or expand;

4 “(2) a description and evidence of the support
5 and commitment, from teachers and principals in
6 the school to be served by the project, the commu-
7 nity, and the local educational agency, for the per-
8 formance-based compensation system, including a
9 demonstration of consultation with teachers and
10 principals on the development and implementation of
11 the performance-based compensation system;

12 “(3) a description of how the eligible entity will
13 develop and implement a fair, rigorous, and objective
14 process to evaluate teacher, principal, and student
15 performance under the project, including the base-
16 line performance against which evaluations of im-
17 proved performance will be made;

18 “(4) a description of the local educational agen-
19 cy or school to be served by the project, including
20 such student academic achievement, demographic,
21 and socioeconomic information as the Secretary may
22 request;

23 “(5) a description of the quality of teachers and
24 principals in the local educational agency and the
25 schools to be served by the project and how the

1 project will increase the quality of teachers and prin-
2 cipals in a high-need school;

3 “(6) a description of how the eligible entity will
4 use grant funds under this part in each year of the
5 grant;

6 “(7) a description of how the eligible entity will
7 continue the performance-based compensation sys-
8 tem assisted under the grant after the grant ends;

9 “(8) a description, if applicable, of how the eli-
10 gible entity will define effective for the purposes of
11 section 2201(b)(4)(B)(i), through the use of measur-
12 able indicators, that are based in significant part on
13 measures of student academic achievement; and

14 “(9) a description of the State, local, or other
15 public or private funds that will be used to supple-
16 ment the grant and sustain the activities assisted
17 under the grant at the end of the grant period.

18 “(d) USE OF FUNDS.—

19 “(1) IN GENERAL.—An eligible entity that re-
20 ceives a grant under this part shall use the grant
21 funds to develop, implement, improve, or expand, in
22 collaboration with teachers, principals, other school
23 administrators, and members of the public, a per-
24 formance-based compensation system consistent with
25 this part.

1 “(2) AUTHORIZED ACTIVITIES.—Grant funds
2 under this part may be used for the following:

3 “(A) Developing appraisal systems that re-
4 flect clear and fair measures of teacher and
5 principal performance based on demonstrated
6 improvements in student academic achievement.

7 “(B) Conducting outreach within a local
8 educational agency or a State to gain input on
9 how to construct the appraisal system and to
10 develop support for the appraisal system.

11 “(C) Paying, as part of a comprehensive
12 performance-based compensation system, bo-
13 nuses and increased salaries, if the eligible enti-
14 ty uses an increasing share of non-Federal
15 funds to pay the bonuses and increased salaries
16 each year of the grant, to—

17 “(i) teachers and principals who raise
18 student academic achievement;

19 “(ii) teachers who—

20 “(I) raise student academic
21 achievement; and

22 “(II)(aa) teach in high-need
23 schools; or

24 “(bb) teach subjects that are dif-
25 ficult to staff; or

1 “(iii) principals who raise student aca-
2 demic achievement in the school and serve
3 in high-need schools.

4 “(e) DURATION OF GRANTS.—

5 “(1) IN GENERAL.—The Secretary may award
6 a grant under this part for a period of not more
7 than 5 years.

8 “(2) LIMITATION.—A local educational agency
9 may receive (whether individually or as part of a
10 consortium or partnership) a grant under this part
11 only once.

12 “(f) EQUITABLE DISTRIBUTION.—To the extent
13 practicable, the Secretary shall ensure an equitable geo-
14 graphic distribution of grants under this part.

15 “(g) MATCHING REQUIREMENT.—Each eligible enti-
16 ty that receives a grant under this part shall provide, from
17 non-Federal sources, an amount equal to 50 percent of
18 the amount of the grant (which may be provided in cash
19 or in-kind) to carry out the activities supported by the
20 grant.

21 “(h) SUPPLEMENT, NOT SUPPLEMENT.—Grant
22 funds provided under this part shall be used to supple-
23 ment, not supplant, other Federal or State funds available
24 to carry out activities described in this part.

1 **“SEC. 2203. REPORTS AND EVALUATIONS.**

2 “(a) **ACTIVITIES SUMMARY.**—Each eligible entity re-
3 ceiving a grant under this part shall provide to the Sec-
4 retary a summary of the activities assisted under the
5 grant.

6 “(b) **REPORT.**—The Secretary shall provide to Con-
7 gress an annual report on the implementation of the pro-
8 gram assisted under this part, including—

9 “(1) information on eligible entities that re-
10 ceived grant funds under this part, including—

11 “(A) information provided by eligible enti-
12 ties to the Secretary in the applications sub-
13 mitted under section 2202(c);

14 “(B) the summaries received under sub-
15 section (a); and

16 “(C) grant award amounts;

17 “(2) student academic achievement data; and

18 “(3) such other information as the Secretary
19 may include.

20 “(c) **EVALUATION.**—

21 “(1) **IN GENERAL.**—The Secretary shall,
22 through a grant or contract, carry out an inde-
23 pendent evaluation to measure the effectiveness of
24 the program assisted under this part.

25 “(2) **CONTENTS.**—The evaluation under para-
26 graph (1) shall measure—

1 “(A) the effectiveness of the program in
2 improving student academic achievement;

3 “(B) the satisfaction of the participating
4 teachers or principals; and

5 “(C) the extent to which the program as-
6 sisted the eligible entities in recruiting and re-
7 taining high-quality teachers and principals, es-
8 pecially in hard-to-staff subject areas.

9 **“SEC. 2204. RESERVATION OF FUNDS.**

10 “Of the total amount reserved under section 2001(c)
11 for this part for a fiscal year, the Secretary may reserve
12 for such fiscal year not more than 1 percent for the cost
13 of the evaluation under section 2203(c) and for technical
14 assistance in carrying out this part.”.

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