

112TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

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 quality and effectiveness and increasing the number of
2 teachers and principals who are effective in improving stu-
3 dent academic achievement in schools.

4 **“SEC. 2102. DEFINITIONS.**

5 “In this title:

6 “(1) CORE ACADEMIC SUBJECTS.—The term
7 ‘core academic subjects’ means English, reading or
8 language arts, writing, science, technology, engineer-
9 ing, mathematics, foreign languages, civics and gov-
10 ernment, economics, arts, history, and geography.

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

14 **“Subpart 1—Grants to States**

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

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

22 “(b) DETERMINATION OF ALLOTMENTS.—

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

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

8 “(B) one-half of 1 percent for the Sec-
9 retary of the Interior for programs under this
10 part in schools operated or funded by the Bu-
11 reau of Indian Education.

12 “(2) STATE ALLOTMENTS.—

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

20 “(i) an amount that bears the same
21 relationship to 20 percent of the remaining
22 amount as the number of individuals age 5
23 through 17 in the State, as determined by
24 the Secretary on the basis of the most re-
25 cent satisfactory data, bears to the number

1 of those individuals in all such States, as
2 so determined; and

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

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

17 **“SEC. 2112. STATE APPLICATIONS.**

18 “(a) IN GENERAL.—For a State to be eligible to re-
19 ceive a grant under this part, the State educational agency
20 shall submit an application to the Secretary at such time,
21 in such manner, and containing such information as the
22 Secretary may reasonably require.

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

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

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

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

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

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

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

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

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

15 “(e) NOTIFICATION.—If the Secretary finds that an
16 application submitted under this section is not in compli-
17 ance, in whole or in part, with this subpart, the Secretary
18 shall—

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

21 “(2) notify the State educational agency of the
22 finding of noncompliance and, in such notification,
23 shall—

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

1 “(B) request additional information, only
2 as to the noncompliant provisions, needed to
3 make the application compliant.

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

11 “(1) the expiration of the 45-day period begin-
12 ning on the date on which the application is resub-
13 mitted; or

14 “(2) the expiration of the 120-day period de-
15 scribed in subsection (c).

16 “(g) FAILURE TO RESPOND.—If the State edu-
17 cational agency does not respond to the Secretary’s notifi-
18 cation described in subsection (e)(2) during the 45-day pe-
19 riod beginning on the date on which the agency received
20 the notification, such application shall be deemed to be
21 disapproved.

22 **“SEC. 2113. STATE USE OF FUNDS.**

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

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

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

7 “(b) STATE ACTIVITIES.—The State educational
8 agency for a State that receives a grant under section
9 2111 shall use the funds described in subsection (a)(2)
10 to carry out 1 or more of the following activities, which
11 may be carried out through a grant or contract with a
12 for-profit or nonprofit entity:

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

15 “(A) teachers have the necessary subject
16 matter knowledge and teaching skills in the
17 academic subjects that the teachers teach to
18 help students meet challenging State standards;

19 “(B) principals have the instructional lead-
20 ership skills to help teachers teach and to help
21 students meet challenging State standards; and

22 “(C) teacher certification or licensing re-
23 quirements are aligned with challenging State
24 standards.

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

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

15 “(4) Developing and implementing mechanisms
16 to assist local educational agencies and schools in ef-
17 fectively recruiting and retaining teachers and prin-
18 cipals who are effective in improving student aca-
19 demic achievement.

20 “(5) Reforming tenure systems.

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

1 “(7) Developing, or assisting local educational
2 agencies in developing, performance-based pay sys-
3 tems, and strategies that provide differential and
4 bonus pay for teachers in high-need academic sub-
5 jects and teachers or principals in high-poverty
6 schools and districts.

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

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

20 “(10) Other activities identified by the State
21 that meet the purpose of this part.

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

1 to the number of those individuals in the geo-
2 graphic areas served by all the local educational
3 agencies in the State, as so determined; and

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

15 **“SEC. 2122. LOCAL APPLICATIONS AND NEEDS ASSESS-**
16 **MENT.**

17 “(a) IN GENERAL.—To be eligible to receive a
18 subgrant under this subpart, a local educational agency
19 shall submit an application to the State educational agen-
20 cy at such time, in such manner, and containing such in-
21 formation as the State educational agency may reasonably
22 require.

23 “(b) NEEDS ASSESSMENT.—

24 “(1) IN GENERAL.—To be eligible to receive a
25 subgrant under this subpart, a local educational

1 agency shall conduct a comprehensive needs assess-
2 ment, based on student academic achievement, iden-
3 tified by the local educational agency and school
4 staff, including—

5 “(A) increasing the number of teachers
6 and principals who are effective in improving
7 student academic achievement;

8 “(B) ensuring that low-income and minor-
9 ity students are served by effective teachers and
10 principals and have access to a high-quality in-
11 structional program in the core academic sub-
12 jects;

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

14 “(D) understanding and using data and
15 assessments to improve student learning and
16 classroom practice;

17 “(E) improving student behavior in the
18 classroom and school, including the identifica-
19 tion of early and appropriate interventions; and

20 “(F) teaching students who are English
21 language learners and students with disabilities.

22 “(2) CONSULTATION.—

23 “(A) IN GENERAL.—In conducting a needs
24 assessment as described in paragraph (1), a
25 local educational agency shall—

1 “(i) involve teachers, principals, pupil
2 services personnel, parents, community-
3 based organizations, and others with rel-
4 evant and demonstrated expertise in pro-
5 grams and activities designed to meet the
6 purpose of this part; and

7 “(ii) take into account the activities
8 that need to be conducted in order to give
9 teachers and principals the skills to provide
10 students with the opportunity to meet chal-
11 lenging State standards.

12 “(B) CONTINUED CONSULTATION.—A local
13 educational agency shall consult with such indi-
14 viduals and organizations described in subpara-
15 graph (A) on an ongoing basis in order to—

16 “(i) seek advice regarding how best to
17 improve the local educational agency’s ac-
18 tivities to meet the purpose of this part;
19 and

20 “(ii) coordinate the local educational
21 agency’s activities under this part with
22 other related strategies, programs, and ac-
23 tivities being conducted in the community.

24 “(c) CONTENTS.—Each application submitted under
25 this section shall be based on the results of the needs as-

1 assessment required under subsection (b) and shall include
2 the following:

3 “(1) A description of the results of the com-
4 prehensive needs assessment carried out under sub-
5 section (b).

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

10 “(3) A description of how the activities will be
11 based on a review of scientifically valid research and
12 an explanation of why the activities are expected to
13 improve student academic achievement.

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

19 “(5) A description of the program activities to
20 be conducted in the schools served by the local edu-
21 cational agency.

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

1 “(7) A description of how the local educational
2 agency will support efforts to train teachers and
3 principals to effectively integrate technology into
4 curricula and instruction.

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

8 “(9) An assurance that the local educational
9 agency will target funds to schools served by the
10 agency that are identified under section
11 1114(a)(1)(B) and have the highest percentage or
12 number of children counted under section 1124(c).

13 “(10) An assurance that the local educational
14 agency will coordinate professional development ac-
15 tivities authorized under this subpart with profes-
16 sional development activities provided through other
17 Federal, State, and local programs.

18 **“SEC. 2123. LOCAL USE OF FUNDS.**

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

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

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

7 “(3) Developing and implementing initiatives to
8 assist in recruiting, hiring, and retaining effective
9 teachers and principals, particularly in high-poverty
10 schools with high percentages of ineffective teachers
11 and high percentages of students who do not meet
12 State-determined proficient levels of achievement in
13 the core academic subjects, including initiatives that
14 provide—

15 “(A) differential, incentive, or bonus pay
16 for teachers in high-need academic subject
17 areas and specialty areas;

18 “(B) performance-based pay systems for
19 teachers and principals;

20 “(C) teacher advancement, professional
21 growth, and emphasis on multiple career paths
22 and pay differentiation; and

23 “(D) new teacher and principal induction
24 and mentoring programs that are designed to
25 improve instruction, student learning and

1 achievement, and to increase teacher and prin-
2 cipal retention.

3 “(4) Recruiting qualified individuals from other
4 fields, including mid-career professionals from other
5 occupations, former military personnel, and recent
6 graduates of an institution of higher education with
7 a record of academic distinction who demonstrate
8 potential to become effective teachers or principals.

9 “(5) Establishing, improving, or expanding
10 model instructional programs in the core academic
11 subjects to ensure that all children receive a well-
12 rounded and complete education.

13 “(6) Providing high-quality professional devel-
14 opment for teachers and principals focused on im-
15 proving teaching and student learning and achieve-
16 ment in the core academic subjects, including sup-
17 porting efforts to train teachers and principals to ef-
18 fectively integrate technology into curricula and in-
19 struction.

20 “(7) Developing programs and activities that
21 increase the ability of teachers to effectively teach
22 students with disabilities, including students with
23 significant cognitive disabilities, which may include
24 the use of response to intervention and positive be-
25 havioral intervention and supports, and students

1 who are English language learners so that such stu-
2 dents can meet State academic content and student
3 academic achievement standards.

4 “(8) Providing students with increased access
5 to up-to-date school library materials, a well-
6 equipped, technologically advanced school library
7 media center, and well-trained professionally cer-
8 tified school library media specialists.

9 “(9) Providing programs and activities to help
10 students prepare for postsecondary level coursework
11 in the core academic subjects, including early college
12 or dual enrollment programs, Advanced Placement
13 and International Baccalaureate programs, and
14 other advanced learning programs, including pro-
15 grams to meet the educational needs of gifted and
16 talented students.

17 “(10) Providing programs that support ex-
18 tended learning opportunities in the core academic
19 subjects, including before and after school programs,
20 summer school programs, and programs that extend
21 the school day, week, or school-year calendar.

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

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

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

10 **“Subpart 3—Accountability**

11 **“SEC. 2141. REPORTING.**

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

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

17 “(2) the number of teachers in the State who
18 are licensed and certified to teach in their field of
19 study;

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

22 “(4) the passage rate of teacher and principal
23 licensure examinations; and

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

1 “(b) LOCAL EDUCATIONAL AGENCY REPORT.—Each
2 local educational agency receiving funds under this sub-
3 part shall submit to the State educational agency such in-
4 formation that the State requires, which shall include the
5 information listed in subsection (a).

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

9 **“Subpart 4—National Activities**

10 **“SEC. 2151. NATIONAL ACTIVITIES OF DEMONSTRATED EF-**
11 **ECTIVENESS.**

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

17 “(1) technical assistance to States and local
18 educational agencies carrying out activities under
19 this part; and

20 “(2) national evaluations of activities carried
21 out by States and local educational agencies under
22 this part.

23 “(b) PROGRAMS OF NATIONAL SIGNIFICANCE.—
24 From the funds reserved by the Secretary under section
25 2001(b), the Secretary shall award grants, on a competi-

1 tive basis, to national nonprofit organizations with a dem-
2 onstrated record of meeting the purpose of this part for
3 teacher or principal preparation and professional develop-
4 ment activities and programs.

5 “(c) COST-SHARING.—

6 “(1) IN GENERAL.—A national nonprofit orga-
7 nization that receives a grant under this section,
8 shall provide, from non-Federal sources, not less
9 than 50 percent of the funds for the total cost for
10 each year of activities carried out under this section.

11 “(2) ACCEPTABLE CONTRIBUTIONS.—A na-
12 tional nonprofit organization that receives a grant
13 under this section may meet the requirement of
14 paragraph (1) by providing contributions in cash or
15 in kind, fairly evaluated, including plant, equipment,
16 and services.

17 “(3) WAIVERS.—The Secretary may waive or
18 modify the requirement of paragraph (1) in cases of
19 demonstrated financial hardship.

20 **“SEC. 2152. PROHIBITION AGAINST FEDERAL MANDATES,**
21 **DIRECTION, OR CONTROL.**

22 “Nothing in this part shall be construed to authorize
23 the Secretary or any other officer or employee of the Fed-
24 eral Government to mandate, direct, control, or exercise
25 any direction or supervision over a State, local educational

1 agency, or school’s instructional content or materials, cur-
2 riculum, program of instruction, academic content and
3 student academic achievement standards, or academic as-
4 sessments.

5 **“PART B—TEACHER INCENTIVE FUND**

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

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

8 “(1) to assist States, local educational agencies,
9 and nonprofit organizations to develop, implement,
10 improve, or expand comprehensive performance-
11 based compensation systems for teachers and prin-
12 cipals, especially for teachers and principals in high-
13 need schools, who raise student academic achieve-
14 ment and close the achievement gap; and

15 “(2) to study and review performance-based
16 compensation systems for teachers and principals to
17 evaluate the effectiveness, fairness, quality, consist-
18 ency, and reliability of the systems.

19 “(b) DEFINITIONS.—In this part:

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

22 “(A) a local educational agency or a con-
23 sortium of local educational agencies, including
24 a charter school that is a local educational
25 agency;

1 “(B) a State educational agency, or other
2 State agency designated by the chief executive
3 of a State to participate under this part; or

4 “(C) a partnership consisting of—

5 “(i) one or more agencies described in
6 subparagraph (A) or (B); and

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

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

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

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

18 “(B)(i) for which there is a high percent-
19 age of teachers not teaching in the academic
20 subjects or grade levels that the teachers were
21 trained to teach; or

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

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

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

6 “(B)(i) has a high percentage of out-of-
7 field teachers;

8 “(ii) is within the top quartile of elemen-
9 tary schools and secondary schools statewide, as
10 ranked by the number of unfilled, available
11 teaching positions at the schools;

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

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

15 “(4) PERFORMANCE-BASED COMPENSATION
16 SYSTEM.—The term ‘performance-based compensa-
17 tion system’ means a system of compensation for
18 teachers and principals that—

19 “(A) differentiates levels of compensation
20 primarily on the basis of measurable increases
21 in student academic achievement; and

22 “(B) may include—

23 “(i) differentiated levels of compensa-
24 tion on the basis of effective teachers’ and
25 principals’ employment and success in

1 hard-to-staff schools or high-need subject
2 areas; and

3 “(ii) recognition of the skills and
4 knowledge of teachers and principals as
5 demonstrated through—

6 “(I) successful fulfillment of ad-
7 ditional responsibilities or job func-
8 tions; and

9 “(II) evidence of high achieve-
10 ment and mastery of content knowl-
11 edge and superior teaching skills.

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

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

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

24 “(c) APPLICATIONS.—To be eligible to receive a grant
25 under this part, an eligible entity shall submit an applica-

1 tion to the Secretary, at such time and in such manner
2 as the Secretary may reasonably require. The application
3 shall include—

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

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

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

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

1 “(5) a description of the quality of teachers and
2 principals in the local educational agency and the
3 schools to be served by the project and how the
4 project will increase the quality of teachers and prin-
5 cipals in a high-need school;

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

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

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

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

21 “(d) USE OF FUNDS.—

22 “(1) IN GENERAL.—An eligible entity that re-
23 ceives a grant under this part shall use the grant
24 funds to develop, implement, improve, or expand, in
25 collaboration with teachers, principals, other school

1 administrators, and members of the public, a per-
2 formance-based compensation system consistent with
3 this part.

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

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

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

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

20 “(i) teachers and principals who raise
21 student academic achievement;

22 “(ii) teachers who—

23 “(I) raise student academic
24 achievement; and

1 “(II)(aa) teach in high-need
2 schools; or

3 “(bb) teach subjects that are dif-
4 ficult to staff; or

5 “(iii) principals who raise student aca-
6 demic achievement in the school and serve
7 in high-need schools.

8 “(e) DURATION OF GRANTS.—

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

12 “(2) LIMITATION.—A local educational agency
13 may receive (whether individually or as part of a
14 consortium or partnership) a grant under this part
15 only once.

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

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

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

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

6 “(a) ACTIVITIES SUMMARY.—Each eligible entity re-
7 ceiving a grant under this part shall provide to the Sec-
8 retary a summary of the activities assisted under the
9 grant.

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

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

15 “(A) information provided by eligible enti-
16 ties to the Secretary in the applications sub-
17 mitted under section 2202(c);

18 “(B) the summaries received under sub-
19 section (a); and

20 “(C) grant award amounts;

21 “(2) student academic achievement data; and

22 “(3) such other information as the Secretary
23 may include.

24 “(c) EVALUATION.—

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

5 “(2) CONTENTS.—The evaluation under para-
6 graph (1) shall measure—

7 “(A) the effectiveness of the program in
8 improving student academic achievement;

9 “(B) the satisfaction of the participating
10 teachers or principals; and

11 “(C) the extent to which the program as-
12 sisted the eligible entities in recruiting and re-
13 taining high-quality teachers and principals, es-
14 pecially in hard-to-staff subject areas.

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

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