

109TH CONGRESS
1ST SESSION

S. 1218

To amend the Elementary and Secondary Education Act of 1965, the Higher Education Act of 1965, and the Internal Revenue Code of 1986 to improve recruitment, preparation, distribution, and retention of public elementary and secondary school teachers and principals, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 9, 2005

Mr. KENNEDY (for himself and Mr. DURBIN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Elementary and Secondary Education Act of 1965, the Higher Education Act of 1965, and the Internal Revenue Code of 1986 to improve recruitment, preparation, distribution, and retention of public elementary and secondary school teachers and principals, 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 Excellence
5 for All Children Act of 2005”.

1 SEC. 2. TABLE OF CONTENTS.

2 The table of contents of this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. Findings.

TITLE I—RECRUITING TALENTED NEW TEACHERS

- Sec. 101. Amendments to Higher Education Act of 1965.
- Sec. 102. Extending and expanding teacher loan forgiveness.

TITLE II—CLOSING THE TEACHER DISTRIBUTION GAP

- Sec. 201. Grants to local educational agencies to provide premium pay to teachers in high-need schools.

TITLE III—IMPROVING TEACHER PREPARATION

- Sec. 301. Amendment to Elementary and Secondary Education Act of 1965.
- Sec. 302. Amendment to the Higher Education Act of 1965: Teacher Quality Enhancement Grants.
- Sec. 303. Enforcing NCLB's teacher equity provision.

TITLE IV—EQUIPPING TEACHERS, SCHOOLS, LOCAL EDUCATIONAL AGENCIES, AND STATES WITH THE 21ST CENTURY DATA, TOOLS, AND ASSESSMENTS THEY NEED

- Sec. 401. 21st Century Data, Tools, and Assessments.
- Sec. 402. Collecting national data on distribution of teachers.

TITLE V—RETENTION: KEEPING OUR BEST TEACHERS IN THE CLASSROOM

- Sec. 501. Amendment to Elementary and Secondary Education Act of 1965.
- Sec. 502. Exclusion from gross income of compensation of teachers and principals in certain high-need schools or teaching high-need subjects.
- Sec. 503. Above-the-line deduction for certain expenses of elementary and secondary school teachers increased and made permanent.

TITLE VI—MISCELLANEOUS PROVISIONS

- Sec. 601. Conforming amendments.

3 SEC. 3. FINDINGS.

4 The Congress finds as follows:

- 5** (1) There are not enough qualified teachers in
- 6** the Nation's classrooms, and an unprecedented num-
- 7** ber of teachers will retire over the next 5 years. Over

1 the next decade, the Nation will need to bring
2 2,000,000 new teachers into public schools.

3 (2) Too many teachers and principals do not re-
4 ceive adequate preparation for their jobs.

5 (3) More than one-third of children in grades
6 7–12 are taught by a teacher who lacks both a col-
7 lege major and certification in the subject being
8 taught. Rates of “out-of-field teaching” are espe-
9 cially high in high-poverty schools.

10 (4) Seventy percent of mathematics classes in
11 high-poverty middle schools are assigned to teachers
12 without even a minor in mathematics or a related
13 field.

14 (5) Teacher turnover is a serious problem, par-
15 ticularly in urban and rural areas. Over one-third of
16 new teachers leave the profession within their first
17 3 years of teaching, and 14 percent of new teachers
18 leave the field within the first year. After 5 years—
19 the average time it takes for teachers to maximize
20 students’ learning—half of all new teachers will have
21 exited the profession. Rates of teacher attrition are
22 highest in high-poverty schools. Between 2000 and
23 2001, 1 out of 5 teachers in the Nation’s high-pov-
24 erty schools either left to teach in another school or
25 dropped out of teaching altogether.

1 (6) Fourth graders who are poor score dramati-
2 cally lower on the National Assessment of Edu-
3 cational Progress (NAEP) than their counterparts
4 who are not poor. Over 85 percent of fourth graders
5 who are poor failed to attain NAEP proficiency
6 standards in 2003.

7 (7) African-American, Latino, and low-income
8 students are much less likely than other students to
9 have highly-qualified teachers.

10 (8) Research shows that individual teachers
11 have a great impact on how well their students
12 learn. The most effective teachers have been shown
13 to be able to boost their pupils' learning by a full
14 grade level relative to students taught by less effec-
15 tive teachers.

16 (9) Although nearly half (42 percent) of all
17 teachers hold a master's degree, fewer than 1 in 4
18 secondary teachers have a master's degree in the
19 subject they teach.

20 (10) Young people with high SAT and ACT
21 scores are much less likely to choose teaching as a
22 career. Those who have higher SAT or ACT scores
23 are twice as likely to leave the profession after only
24 a few years.

1 (11) Only 16 States finance new teacher induc-
 2 tion programs, and fewer still require inductees to
 3 be matched with mentors who teach the same sub-
 4 ject.

5 **TITLE I—RECRUITING**
 6 **TALENTED NEW TEACHERS**

7 **SEC. 101. AMENDMENTS TO HIGHER EDUCATION ACT OF**
 8 **1965.**

9 (a) TEACH GRANTS.—Title II of the Higher Edu-
 10 cation Act of 1965 (20 U.S.C. 1021 et seq.) is amended
 11 by adding at the end the following new part:

12 **“PART C—TEACH GRANTS**

13 **“SEC. 231. PURPOSES.**

14 “The purposes of this part are—

15 “(1) to improve student academic achievement;

16 “(2) to help recruit and prepare teachers to
 17 meet the national demand for a highly qualified
 18 teacher in every classroom; and

19 “(3) to increase opportunities for Americans of
 20 all educational, ethnic, class, and geographic back-
 21 grounds to become highly qualified teachers.

22 **“SEC. 232. PROGRAM ESTABLISHED.**

23 “(a) PROGRAM AUTHORITY.—

24 “(1) PAYMENTS REQUIRED.—For each of the
 25 fiscal years 2006 through 2013, the Secretary shall

1 pay to each eligible institution such sums as may be
2 necessary to pay to each eligible student (defined in
3 accordance with section 484) who files an applica-
4 tion and agreement in accordance with section 233,
5 and qualifies under subsection (a)(2) of such section,
6 a TEACH Grant in the amount of \$4,000 for each
7 academic year during which that student is in at-
8 tendance at an institution of higher education.

9 “(2) REFERENCE.—Grants made under this
10 part shall be known as ‘Teacher Education Assist-
11 ance for College and Higher Education Grants’ or
12 ‘TEACH Grants’.

13 “(b) PAYMENT METHODOLOGY.—

14 “(1) PREPAYMENT.—Not less than 85 percent
15 of such sums shall be advanced to eligible institu-
16 tions prior to the start of each payment period and
17 shall be based upon an amount requested by the in-
18 stitution as needed to pay eligible students until
19 such time as the Secretary determines and publishes
20 in the Federal Register with an opportunity for com-
21 ment, an alternative payment system that provides
22 payments to institutions in an accurate and timely
23 manner, except that this sentence shall not be con-
24 strued to limit the authority of the Secretary to

1 place an institution on a reimbursement system of
2 payment.

3 “(2) DIRECT PAYMENT.—Nothing in this sec-
4 tion shall be interpreted to prohibit the Secretary
5 from paying directly to students, in advance of the
6 beginning of the academic term, an amount for
7 which they are eligible, in cases where the eligible in-
8 stitution elects not to participate in the disburse-
9 ment system required by paragraph (1) .

10 “(3) DISTRIBUTION OF GRANTS TO STU-
11 DENTS.—Payments under this part shall be made, in
12 accordance with regulations promulgated by the Sec-
13 retary for such purpose, in such manner as will best
14 accomplish the purposes of this part. Any disburse-
15 ment allowed to be made by crediting the student’s
16 account shall be limited to tuition and fees and, in
17 the case of institutionally owned housing, room and
18 board. The student may elect to have the institution
19 provide other such goods and services by crediting
20 the student’s account.

21 “(c) REDUCTIONS IN AMOUNT.—

22 “(1) PART TIME STUDENTS.—In any case
23 where a student attends an institution of higher edu-
24 cation on less than a full-time basis (including a stu-
25 dent who attends an institution of higher education

1 on less than a half-time basis) during any academic
 2 year, the amount of the TEACH Grant to which
 3 that student is eligible shall be reduced in proportion
 4 to the degree to which that student is not so attend-
 5 ing on a full-time basis, in accordance with a sched-
 6 ule of reductions established by the Secretary for the
 7 purpose of this part, computed in accordance with
 8 this part. Such schedule of reductions shall be estab-
 9 lished by regulation and published in the Federal
 10 Register in accordance with section 482 of this Act.

11 “(2) NO EXCEEDING COST.—No TEACH Grant
 12 for a student under this part shall exceed the cost
 13 of attendance (as defined in section 472) at the in-
 14 stitution at which such student is in attendance. If,
 15 with respect to any student, it is determined that
 16 the amount of a TEACH Grant exceeds the cost of
 17 attendance for that year, the amount of the TEACH
 18 Grant shall be reduced until the TEACH Grant does
 19 not exceed the cost of attendance at such institution.

20 “(d) PERIOD OF ELIGIBILITY FOR GRANTS.—

21 “(1) UNDERGRADUATE STUDENTS.—The period
 22 during which an undergraduate student may receive
 23 TEACH Grants shall be the period required for the
 24 completion of the first undergraduate baccalaureate
 25 course of study being pursued by that student at the

1 institution at which the student is in attendance, ex-
 2 cept that—

3 “(A) any period during which the student
 4 is enrolled in a noncredit or remedial course of
 5 study, subject to paragraph (3), shall not be
 6 counted for the purpose of this paragraph; and

7 “(B) the total amount that a student may
 8 receive under this part for undergraduate study
 9 shall not exceed \$16,000.

10 “(2) GRADUATE STUDENTS.—The period dur-
 11 ing which a graduate student may receive TEACH
 12 Grants shall be the period required for the comple-
 13 tion of a master’s degree course of study being pur-
 14 sued by that student at the institution at which the
 15 student is in attendance, except that the total
 16 amount that a student may receive under this part
 17 for graduate study shall not exceed \$8,000.

18 “(3) REMEDIAL COURSE; STUDY ABROAD.—
 19 Nothing in this section shall exclude from eligibility
 20 courses of study that are noncredit or remedial in
 21 nature (including courses in English language acqui-
 22 sition) that are determined by the institution to be
 23 necessary to help the student be prepared for the
 24 pursuit of a first undergraduate baccalaureate de-
 25 gree or certificate or, in the case of courses in

1 English language instruction, to be necessary to en-
 2 able the student to utilize already existing knowl-
 3 edge, training, or skills. Nothing in this section shall
 4 exclude from eligibility programs of study abroad
 5 that are approved for credit by the home institution
 6 at which the student is enrolled.

7 **“SEC. 233. ELIGIBILITY AND APPLICATIONS FOR GRANTS.**

8 “(a) APPLICATIONS; DEMONSTRATION OF ELIGI-
 9 BILITY.—

10 “(1) FILING REQUIRED.—The Secretary shall
 11 from time to time set dates by which students shall
 12 file applications for TEACH Grants under this part.
 13 Each student desiring a TEACH Grant for any year
 14 shall file an application therefore containing such in-
 15 formation and assurances as the Secretary may
 16 deem necessary to enable the Secretary to carry out
 17 the functions and responsibilities of this part.

18 “(2) DEMONSTRATION OF ELIGIBILITY.—Each
 19 such application shall contain such information as is
 20 necessary to demonstrate that—

21 “(A) if the applicant is an enrolled stu-
 22 dent—

23 “(i) the student is an eligible student
 24 for purposes of section 484 (other than
 25 subsection (r) of such section);

1 “(ii) the student—

2 “(I) has a grade point average
3 that is determined, under standards
4 prescribed by the Secretary, to be
5 comparable to a 3.25 average on a
6 zero to 4.0 scale, except that, if the
7 student is in the first year of a pro-
8 gram of undergraduate education,
9 such grade point average shall be de-
10 termined on the basis of the student’s
11 cumulative high school grade point av-
12 erage; or

13 “(II) displayed high academic ap-
14 titude by receiving a score above the
15 75th percentile on at least one of the
16 batteries in an undergraduate or
17 graduate school admissions test; and

18 “(iii) the student is completing
19 coursework and other requirements nec-
20 essary to begin a career in teaching, or
21 plans to complete such coursework and re-
22 quirements prior to graduating; or

23 “(B) if the applicant is a current or pro-
24 spective teacher applying for a grant to obtain
25 a graduate degree—

1 “(i) the applicant is a teacher or a re-
 2 tiree from another occupation with exper-
 3 tise in a field in which there is a shortage
 4 of teachers, such as mathematics, science,
 5 special education, English language acqui-
 6 sition, or another high-need subject; or

7 “(ii) the applicant is or was a teacher
 8 who is using high-quality alternative cer-
 9 tification routes, such as Teach for Amer-
 10 ica, to get certified.

11 “(b) AGREEMENTS TO SERVE.—Each application
 12 under subsection (a) shall contain or be accompanied by
 13 an agreement by the applicant that—

14 “(1) the applicant will—

15 “(A) serve as a full-time teacher for a total
 16 of not less than 4 academic years within 8
 17 years after completing the course of study for
 18 which the applicant received a TEACH Grant
 19 under this part;

20 “(B) teach—

21 “(i) in a school described in section
 22 465(a)(2)(A); and

23 “(ii) in any of the following fields:
 24 mathematics, science, a foreign language,
 25 bilingual education, or special education, or

1 as a reading specialist, or another field
2 documented as high-need by the Federal
3 Government, State government, or local
4 education agency and submitted to the
5 Secretary;

6 “(C) submit evidence of such employment
7 in the form of a certification by the chief ad-
8 ministrative officer of the school upon comple-
9 tion of each year of such service; and

10 “(D) comply with the requirements for
11 being a highly qualified teacher as defined in
12 section 9101 of the Elementary and Secondary
13 Education Act of 1965; and

14 “(2) in the event that the applicant is deter-
15 mined to have failed or refused to carry out such
16 service obligation, the sum of the amounts of such
17 Teach Grants will be treated as a loan and collected
18 from the applicant in accordance with subsection (c)
19 and the regulations thereunder.

20 “(c) REPAYMENT FOR FAILURE TO COMPLETE SERV-
21 ICE.—In the event that any recipient of a TEACH Grant
22 fails or refuses to comply with the service obligation in
23 the agreement under subsection (b), the sum of the
24 amounts of such Grants provided to such recipient shall
25 be treated as a Direct Loan under part D of title IV, and

1 shall be subject to repayment in accordance with terms
 2 and conditions specified by the Secretary in regulations
 3 promulgated to carry out this part.”.

4 (b) RECRUITING TEACHERS WITH MATHEMATICS,
 5 SCIENCE, OR LANGUAGE MAJOR.—Title II of the Higher
 6 Education Act of 1965 (20 U.S.C. 1021 et seq.), as
 7 amended by subsection (a), is further amended by adding
 8 at the end the following:

9 **“PART D—RECRUITING TEACHERS WITH MATHE-**
 10 **MATICS, SCIENCE, OR LANGUAGE MAJORS**

11 **“SEC. 241. PROGRAM AUTHORIZED.**

12 “(a) GRANTS AUTHORIZED.—From the amounts ap-
 13 propriated under section 242, the Secretary shall make
 14 competitive grants to institutions of higher education to
 15 improve the availability and recruitment of teachers from
 16 among students majoring in mathematics, science, foreign
 17 languages, special education, or teaching the English lan-
 18 guage to students with limited English proficiency. In
 19 making such grants, the Secretary shall give priority to
 20 programs that focus on preparing teachers in subjects in
 21 which there is a shortage of highly qualified teachers and
 22 that prepare students to teach in high-need schools.

23 “(b) APPLICATION.—Any institution of higher edu-
 24 cation desiring to obtain a grant under this part shall sub-
 25 mit to the Secretary an application at such time, in such

1 form, and containing such information and assurances as
2 the Secretary may require, which shall—

3 “(1) include reporting on baseline production of
4 teachers with expertise in mathematics, science, a
5 foreign language, or teaching English language
6 learners; and

7 “(2) establish a goal and timeline for increasing
8 the number of such teachers who are prepared by
9 the institution.

10 “(c) USE OF FUNDS.—Funds made available by a
11 grant under this part—

12 “(1) shall be used to create new recruitment in-
13 centives to teaching from other majors, with an em-
14 phasis on high-need subjects such as mathematics,
15 science, foreign languages, and teaching the English
16 language to students with limited English pro-
17 ficiency;

18 “(2) may be used to upgrade curriculum in
19 order to provide all students studying to become
20 teachers with high-quality instructional strategies for
21 teaching reading and teaching the English language
22 to students with limited English proficiency, and for
23 modifying instruction to teach students with special
24 needs;

1 “(3) may be used to integrate school of edu-
 2 cation faculty with other arts and science faculty in
 3 mathematics, science, foreign languages, and teach-
 4 ing the English language to students with limited
 5 English proficiency through steps such as—

6 “(A) dual appointments for faculty be-
 7 tween schools of education and schools of arts
 8 and science; and

9 “(B) integrating coursework with clinical
 10 experience; and

11 “(4) may be used to develop strategic plans be-
 12 tween schools of education and local school districts
 13 to better prepare teachers for high-need schools, in-
 14 cluding the creation of professional development
 15 partnerships for training new teachers in state-of-
 16 the-art practice.

17 **“SEC. 242. AUTHORIZATION OF APPROPRIATIONS.**

18 “There are authorized to be appropriated to make
 19 grants under this part \$200,000,000 for fiscal year 2006
 20 and such sums as may be necessary for each of the 5 suc-
 21 ceeding fiscal years.”.

22 (c) PART A AUTHORIZATION.—Section 210 of the
 23 Higher Education Act of 1965 (20 U.S.C. 1030) is
 24 amended—

1 (1) by striking “\$300,000,000 for fiscal year
2 1999” and inserting “\$400,000,000 for fiscal year
3 2006”; and

4 (2) by striking “4 succeeding” and inserting “5
5 succeeding”.

6 **SEC. 102. EXTENDING AND EXPANDING TEACHER LOAN**
7 **FORGIVENESS.**

8 (a) PERMANENT EXTENSION.—Section 3(b)(3) of the
9 Taxpayer-Teacher Protection Act of 2004 (P.L. 108–409;
10 118 Stat. 2300) is amended by striking “1998, and before
11 October 1, 2005” and inserting “1998”.

12 (b) INCREASED AMOUNT; APPLICABILITY OF EX-
13 PANDED PROGRAM TO READING SPECIALIST.—Sections
14 428J(c)(3) and 460(c)(3) of the Higher Education Act of
15 1965 (20 U.S.C. 1078–10(c)(3), 1087j(c)(3)) are each
16 amended—

17 (1) by striking “\$17,500” and inserting
18 “\$20,000”;

19 (2) by striking “and” at the end of subpara-
20 graph (A)(ii);

21 (3) by striking the period at the end of sub-
22 paragraph (B)(iii) and inserting “; and”; and

23 (4) by adding at the end the following new sub-
24 paragraph:

1 “(C) an elementary or secondary school
2 teacher who primarily teaches reading and
3 who—

4 “(i) has obtained a separate reading
5 instruction credential from the State in
6 which the teacher is employed; and

7 “(ii) is certified by the chief adminis-
8 trative officer of the public or nonprofit
9 private elementary school or secondary
10 school in which the borrower is employed
11 to teach reading—

12 “(I) as being proficient in teach-
13 ing the essential components of read-
14 ing instruction, as defined in section
15 1208 of the Elementary and Sec-
16 ondary Education Act of 1965; and

17 “(II) as having such credential.”.

18 (c) ANNUAL INCREMENTS INSTEAD OF END OF
19 SERVICE LUMP SUMS.—

20 (1) FFEL LOANS.—Section 428J(c) of the
21 Higher Education Act of 1965 (20 U.S.C. 1078–
22 10(c)) is amended by adding at the end the fol-
23 lowing:

24 “(4) ANNUAL INCREMENTS.—Notwithstanding
25 paragraph (1), in the case of an individual quali-

1 fying for loan forgiveness under paragraph (3), the
 2 Secretary shall, in lieu of waiting to assume an obli-
 3 gation only upon completion of 5 complete years of
 4 service, assume the obligation to repay—

5 “(A) after each of the first and second
 6 years of service by an individual in a position
 7 qualifying under paragraph (3), 15 percent of
 8 the total amount of principal and interest of the
 9 loans described in paragraph (1) to such indi-
 10 vidual that are outstanding immediately pre-
 11 ceding such first year of such service;

12 “(B) after each of the third and fourth
 13 years of such service, 20 percent of such total
 14 amount; and

15 “(C) after the fifth year of such service, 30
 16 percent of such total amount.”.

17 (2) DIRECT LOANS.—Section 460(c) of the
 18 Higher Education Act of 1965 (20 U.S.C. 1087j(c))
 19 is amended by adding at the end the following:

20 “(4) ANNUAL INCREMENTS.—Notwithstanding
 21 paragraph (1), in the case of an individual quali-
 22 fying for loan cancellation under paragraph (3), the
 23 Secretary shall, in lieu of waiting to assume an obli-
 24 gation only upon completion of 5 complete years of
 25 service, assume the obligation to repay—

“(A) after each of the first and second years of service by an individual in a position qualifying under paragraph (3), 15 percent of the total amount of principal and interest of the loans described in paragraph (1) to such individual that are outstanding immediately preceding such first year of such service;

“(B) after each of the third and fourth years of such service, 20 percent of such total amount; and

“(C) after the fifth year of such service, 30 percent of such total amount.”.

TITLE II—CLOSING THE TEACHER DISTRIBUTION GAP

SEC. 201. GRANTS TO LOCAL EDUCATIONAL AGENCIES TO PROVIDE PREMIUM PAY TO TEACHERS IN HIGH-NEED SCHOOLS.

Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended by adding at the end the following:

“PART E—TEACHER EXCELLENCE FOR ALL CHILDREN

“SEC. 2500. DEFINITIONS.

“In this part:

1 “(1) The term ‘high-need local educational
2 agency’ means a local educational agency—

3 “(A) that serves not fewer than 10,000
4 children from families with incomes below the
5 poverty line, or for which not less than 20 per-
6 cent of the children served by the agency are
7 from families with incomes below the poverty
8 line; and

9 “(B) that is having or expected to have
10 difficulty filling teacher vacancies or hiring new
11 teachers who are highly qualified.

12 “(2) The term ‘value-added longitudinal data
13 system’ means a longitudinal data system for deter-
14 mining value-added student achievement gains.

15 “(3) The term ‘value-added student achieve-
16 ment gains’ means student achievement gains deter-
17 mined by means of a system that—

18 “(A) is sufficiently sophisticated and
19 valid—

20 “(i) to deal with the problem of stu-
21 dents with incomplete records;

22 “(ii) to enable estimates to be precise
23 and to use all the data for all students in
24 multiple years, regardless of sparseness, in
25 order to avoid measurement error in test

1 scores (such as by using multivariate, lon-
2 gitudinal analyses); and

3 “(iii) to protect against inappropriate
4 testing practices or improprieties in test
5 administration;

6 “(B) includes a way to acknowledge the ex-
7 istence of influences on student growth, such as
8 pull-out programs for support beyond standard
9 delivery of instruction, so that affected teachers
10 do not receive an unfair advantage; and

11 “(C) has the capacity to assign various
12 proportions of student growth to multiple teach-
13 ers when the classroom reality, such as team
14 teaching and departmentalized instruction,
15 makes such type of instruction an issue.

16 **“Subpart 1—Distribution**

17 **“SEC. 2501. PREMIUM PAY; LOAN REPAYMENT.**

18 “(a) GRANTS.—The Secretary shall make grants to
19 local educational agencies to provide higher salaries to ex-
20 emplary, highly qualified principals and exemplary, highly
21 qualified teachers with at least 3 years of experience, in-
22 cluding teachers certified by the National Board for Pro-
23 fessional Teaching Standards, if the principal or teacher
24 agrees to serve full-time for a period of 4 consecutive

1 school years at a public high-need elementary school or
 2 a public high-need secondary school.

3 “(b) USE OF FUNDS.—A local educational agency
 4 that receives a grant under this section may use funds
 5 made available through the grant—

6 “(1) to provide to exemplary, highly qualified
 7 principals up to \$15,000 as an annual bonus for
 8 each of 4 consecutive school years if the principal
 9 commits to work full-time for such period in a public
 10 high-need elementary school or a public high-need
 11 secondary school; and

12 “(2) to provide to exemplary, highly qualified
 13 teachers—

14 “(A) up to \$10,000 as an annual bonus for
 15 each of 4 consecutive school years if the teacher
 16 commits to work full-time for such period in a
 17 public high-need elementary school or a public
 18 high-need secondary school; or

19 “(B) up to \$12,500 as an annual bonus
 20 for each of 4 consecutive school years if the
 21 teacher commits to work full-time for such pe-
 22 riod teaching a subject for which there is a doc-
 23 umented shortage of teachers in a public high-
 24 need elementary school or a public high-need
 25 secondary school.

1 “(c) TIMING OF PAYMENT.—A local educational
 2 agency providing an annual bonus to a principal or teacher
 3 under subsection (b) shall pay the bonus on completion
 4 of the service requirement by the principal or teacher for
 5 the applicable year.

6 “(d) GRANT PERIOD.—The Secretary shall make
 7 grants under this section in yearly installments for a total
 8 period of 4 years.

9 “(e) OBSERVATION, FEEDBACK, AND EVALUA-
 10 TION.—The Secretary may make a grant to a local edu-
 11 cational agency under this section only if the State in
 12 which the agency is located or the agency has in place
 13 or proposes a plan, developed on a collaborative basis with
 14 the local teacher organization, to develop a system in
 15 which principals and, if available, master teachers rate
 16 teachers as exemplary. Such a system shall be—

17 “(1) based on strong learning gains for stu-
 18 dents;

19 “(2) based on classroom observation and feed-
 20 back at least four times annually;

21 “(3) conducted by multiple sources, including
 22 master teachers and principals; and

23 “(4) evaluated against research-validated ru-
 24 brics that use planning, instructional, and learning

1 environment standards to measure teaching perform-
2 ance.

3 “(f) APPLICATION REQUIREMENTS.—To seek a grant
4 under this section, a local educational agency shall submit
5 an application at such time, in such manner, and con-
6 taining such information as the Secretary reasonably re-
7 quires. At a minimum, the application shall include the
8 following:

9 “(1) A description of the agency’s proposed new
10 teacher hiring timeline, including interim goals for
11 any phase-in period.

12 “(2) An assurance that the agency will—

13 “(A) pay matching funds for the program
14 carried out with the grant, which matching
15 funds may be derived from funds received under
16 other provisions of this title;

17 “(B) commit to making the program sus-
18 tainable over time;

19 “(C) create incentives to bring a critical
20 mass of exemplary, highly qualified teachers to
21 each school whose teachers will receive assist-
22 ance under this section;

23 “(D) improve the school’s working condi-
24 tions through activities that may include but
25 are not limited to—

1 “(i) reducing class size;

2 “(ii) ensuring availability of classroom
3 materials, textbooks, and other supplies;

4 “(iii) improving or modernizing facili-
5 ties; and

6 “(iv) upgrading safety; and

7 “(E) accelerate the timeline for hiring new
8 teachers in order to minimize the withdrawal of
9 high-quality teacher applicants and secure the
10 best new teacher talent for their hardest-to-
11 staff schools.

12 “(3) An assurance that, in identifying exem-
13 plary teachers, the system described in paragraph
14 (1) will take into consideration—

15 “(A) growth of the teacher’s students on
16 any tests required by the State educational
17 agency;

18 “(B) value-added student achievement
19 gains if such teacher is in a State that uses a
20 value-added longitudinal data system;

21 “(C) National Board for Professional
22 Teaching Standards certification; and

23 “(D) evidence of teaching skill documented
24 in performance-based assessments.

1 “(g) HIRING HIGHLY QUALIFIED TEACHERS EARLY
2 AND IN A TIMELY MANNER.—

3 “(1) IN GENERAL.—In addition to the require-
4 ments of subsection (f), an application under such
5 subsection shall include a description of the steps
6 the local educational agency will take to enable all
7 or a subset of the agency’s schools to hire new high-
8 ly qualified teachers early and in a timely manner,
9 including—

10 “(A) requiring a clear and early notifica-
11 tion date for retiring teachers that is no later
12 than March 15 each year;

13 “(B) providing schools with their staffing
14 allocations no later than April of the preceding
15 school year;

16 “(C) enabling schools to consider external
17 candidates at the same time as internal can-
18 didates for available positions;

19 “(D) moving up the teacher transfer pe-
20 riod to April and not requiring schools to hire
21 transferring or ‘excessed’ teachers from other
22 schools without selection and consent; and

23 “(E) establishing and implementing a new
24 principal accountability framework to ensure

1 that principals with increased hiring authority
2 are improving teacher quality.

3 “(2) RULE OF CONSTRUCTION.—Nothing in
4 this subsection shall be construed to alter or other-
5 wise affect the rights, remedies, and procedures af-
6 forded school or district employees under Federal,
7 State, or local laws (including applicable regulations
8 or court orders) or under the terms of collective bar-
9 gaining agreements, memoranda of understanding,
10 or other agreements between such employees and
11 their employers.

12 “(h) PRIORITY.—In providing higher salaries to prin-
13 cipals and teachers under this section, a local educational
14 agency shall give priority to principals and teachers at
15 schools identified under section 1116 for school improve-
16 ment, corrective action, or restructuring.

17 “(i) DEFINITIONS.—In this section:

18 “(1) The term ‘high-need’ means, with respect
19 to an elementary school or a secondary school, a
20 school that serves an eligible school attendance area
21 in which not less than 65 percent of the children are
22 from low-income families, based on the number of
23 children eligible for free and reduced priced lunches
24 under the Richard B. Russell National School Lunch

1 Act, or in which not less than 65 percent of the chil-
 2 dren enrolled are from such families.

3 “(2) The term ‘documented shortage of teach-
 4 ers’—

5 “(A) means a shortage of teachers docu-
 6 mented in the needs assessment submitted
 7 under section 2122 by the local educational
 8 agency involved or some other official dem-
 9 onstration of shortage by the local education
 10 agency; and

11 “(B) may include such a shortage in math-
 12 ematics, science, a foreign language, special
 13 education, bilingual education, or reading.

14 “(3) The term ‘exemplary, highly qualified prin-
 15 cipal’ means a principal who—

16 “(A) demonstrates a belief that every stu-
 17 dent can achieve at high levels;

18 “(B) demonstrates an ability to drive sub-
 19 stantial gains in academic achievement for all
 20 students while closing the achievement gap for
 21 those farthest from meeting standards;

22 “(C) uses data to drive instructional im-
 23 provement;

24 “(D) provides ongoing support and devel-
 25 opment for teachers; and

1 “(E) builds a positive school community,
 2 treating every student with respect and rein-
 3 forcing high expectations for all.

4 “(4) The term ‘exemplary, highly qualified
 5 teacher’ means a highly qualified teacher who is
 6 rated as exemplary pursuant to a system described
 7 in subsection (e).

8 “(j) AUTHORIZATION OF APPROPRIATIONS.—To
 9 carry out this section, there are authorized to be appro-
 10 priated \$2,200,000,000 for fiscal year 2006 and such
 11 sums as may be necessary for each of the 5 succeeding
 12 fiscal years.

13 **“SEC. 2502. CAREER LADDERS FOR TEACHERS PROGRAM.**

14 “(a) GRANTS.—The Secretary may make grants to
 15 local educational agencies to establish and implement a
 16 Career Ladders for Teachers Program in which the agen-
 17 cy—

18 “(1) augments the salary of teachers in high-
 19 need elementary schools and high-need secondary
 20 schools to correspond to the increasing responsibil-
 21 ities and leadership roles assumed by the teachers as
 22 they take on new professional roles (such as serving
 23 on school leadership teams, serving as instructional
 24 coaches, and serving in hybrid roles), including by—

1 “(A) providing up to \$10,000 as an annual
2 augmentation to master teachers (including
3 teachers serving as master teachers as part of
4 a state-of the-art teacher induction program
5 under section 2511); and

6 “(B) providing up to \$5,000 as an annual
7 augmentation to mentor teachers (including
8 teachers serving as mentor teachers as part of
9 a state-of-the-art teacher induction program
10 under section 2511);

11 “(2) provides up to \$4,000 as an annual bonus
12 to all career teachers, master teachers, and mentor
13 teachers in high-need elementary schools and high-
14 need secondary schools based on a combination of—

15 “(A) at least 3 classroom evaluations over
16 the course of the year that shall—

17 “(i) be conducted by multiple eval-
18 uators, including master teachers and the
19 principal;

20 “(ii) be based on classroom observa-
21 tion at least 3 times annually; and

22 “(iii) be evaluated against research-
23 validated benchmarks that use planning,
24 instructional, and learning environment

1 standards to measure teacher performance;

2 and

3 “(B) the performance of the teacher’s stu-

4 dents as determined by—

5 “(i) student growth on any test that is

6 required by the State educational agency

7 or local educational agency and is adminis-

8 tered to the teacher’s students; or

9 “(ii) in States or local educational

10 agencies with value-added longitudinal

11 data systems, whole-school value-added

12 student achievement gains and classroom-

13 level value-added student achievement

14 gains; or

15 “(3) provides up to \$4,000 as an annual bonus

16 to principals in elementary schools and secondary

17 schools based on the performance of the school’s stu-

18 dents, taking into consideration whole-school value-

19 added student achievement gains in States that have

20 value-added longitudinal data systems and in which

21 information on whole-school value-added student

22 achievement gains is available.

23 “(b) ELIGIBILITY REQUIREMENT.—A local edu-

24 cational agency may not use any funds under this section

1 to establish or implement a Career Ladders for Teachers
 2 Program unless—

3 “(1) the percentage of teachers required by pre-
 4 vailing union rules votes affirmatively to adopt the
 5 program; or

6 “(2) in States that do not recognize collective
 7 bargaining between local educational agencies and
 8 teacher organizations, at least 75 percent of the
 9 teachers in the local educational agency vote affirm-
 10 atively to adopt the program.

11 “(c) DEFINITIONS.—In this section:

12 “(1) The term ‘career teacher’ means a teacher
 13 who has a bachelor’s degree and full credentials or
 14 alternative certification including a passing level on
 15 elementary or secondary subject matter assessments
 16 and professional knowledge assessments.

17 “(2) The term ‘mentor teacher’ means a teach-
 18 er who—

19 “(A) has a bachelor’s degree and full cre-
 20 dentials or alternative certification including a
 21 passing level on any applicable elementary or
 22 secondary subject matter assessments and pro-
 23 fessional knowledge assessments;

24 “(B) has a portfolio and a classroom dem-
 25 onstration showing instructional excellence;

1 “(C) has an ability, as demonstrated by
2 student data, to increase student achievement
3 through utilizing specific instructional strate-
4 gies;

5 “(D) has a minimum of 3 years of teach-
6 ing experience;

7 “(E) is recommended by the principal and
8 other current master and mentor teachers;

9 “(F) is an excellent instructor and commu-
10 nicator with an understanding of how to facili-
11 tate growth in the teachers the teacher is men-
12 toring; and

13 “(G) performs well as a mentor in estab-
14 lished induction and peer review and mentoring
15 programs.

16 “(3) The term ‘master teacher’ means a teacher
17 who—

18 “(A) holds a master’s degree in the rel-
19 evant academic discipline;

20 “(B) has at least 5 years of successful
21 teaching experience, as measured by perform-
22 ance evaluations, a portfolio of work, or Na-
23 tional Board for Professional Teaching Stand-
24 ards certification;

“(C) demonstrates expertise in content, curriculum development, student learning, test analysis, mentoring, and professional development, as demonstrated by an advanced degree, advanced training, career experience, or National Board for Professional Teaching Standards certification;

“(D) presents student data that illustrates the teacher’s ability to increase student achievement through utilizing specific instructional interventions;

“(E) has instructional expertise demonstrated through model teaching, team teaching, video presentations, student achievement gains, or National Board for Professional Teaching Standards certification;

“(F) may hold a valid National Board for Professional Teaching Standards certificate, may have passed another rigorous standard, or may have been selected as a school, district, or State teacher of the year; and

“(G) is currently participating, or has previously participated, in a professional development program that supports classroom teachers as mentors.

1 “(4) The term ‘high-need’, with respect to an
 2 elementary school or a secondary school, has the
 3 meaning given to that term in section 2501.

4 “(d) AUTHORIZATION OF APPROPRIATIONS.—To
 5 carry out this section, there is authorized to be appro-
 6 priated \$200,000,000 for fiscal year 2006 and such sums
 7 as may be necessary for each of the 5 succeeding fiscal
 8 years.”.

9 **TITLE III—IMPROVING TEACHER** 10 **PREPARATION**

11 **SEC. 301. AMENDMENT TO ELEMENTARY AND SECONDARY** 12 **EDUCATION ACT OF 1965.**

13 Part E of title II of the Elementary and Secondary
 14 Education Act of 1965, as added by title II of this Act,
 15 is amended by adding at the end the following:

16 **“Subpart 2—Preparation**

17 **“SEC. 2511. ESTABLISHING STATE-OF-THE-ART TEACHER IN-** 18 **DUCTION PROGRAMS.**

19 “(a) GRANTS.—The Secretary may make grants to
 20 States and eligible local educational agencies for the pur-
 21 pose of developing state-of-the-art teacher induction pro-
 22 grams.

23 “(b) ELIGIBLE LOCAL EDUCATIONAL AGENCY.—In
 24 this section, the term ‘eligible local educational agency’
 25 means—

1 “(1) a high-need local educational agency; or

2 “(2) a partnership of a high-need local edu-
3 cational agency and an institution of higher edu-
4 cation, a teacher organization, or any other non-
5 profit education organization.

6 “(c) USE OF FUNDS.—A State or an eligible local
7 educational agency that receives a grant under subsection
8 (a) shall use the funds made available through the grant
9 to develop a state-of the-art teacher induction program
10 that—

11 “(1) provides new teachers a minimum of 3
12 years of extensive, high-quality, comprehensive in-
13 duction into the field of teaching; and

14 “(2) includes—

15 “(A) structured mentoring from highly
16 qualified master or mentor teachers who are
17 certified, have teaching experience similar to
18 the grade level or subject assignment of the new
19 teacher, and are trained to mentor new teach-
20 ers;

21 “(B) at least 90 minutes each week of
22 common meeting time for a new teacher to dis-
23 cuss student work and teaching under the direc-
24 tor of a master or mentor teacher;

1 “(C) regular classroom observation in the
2 new teacher’s classroom;

3 “(D) observation by the new teacher of the
4 mentor teacher’s classroom;

5 “(E) intensive professional development ac-
6 tivities for new teachers that result in improved
7 teaching leading to student achievement, includ-
8 ing lesson demonstration by master and mentor
9 teachers in the classroom, observation, and
10 feedback;

11 “(F) training in effective instructional
12 services and classroom management strategies
13 for mainstream teachers serving students with
14 disabilities and students with limited English
15 proficiency;

16 “(G) observation of teachers and feedback
17 at least 4 times each school year by multiple
18 evaluators, including master teachers and the
19 principals, using research-validated benchmarks
20 of teaching skills and standards that are devel-
21 oped with input from teachers;

22 “(H) paid release time for the mentor
23 teacher for mentoring, or salary supplements
24 under section 2502, for mentoring new teachers

1 at a ratio of one full-time mentor to every 12
2 new teachers;

3 “(I) a transition year to the classroom that
4 includes a reduced workload for beginning
5 teachers; and

6 “(J) a standards-based assessment of
7 every beginning teacher to determine whether
8 the teacher should move forward in the teach-
9 ing profession, which assessment may include
10 examination of practice and a measure of gains
11 in student learning.

12 “(d) ADDITIONAL REQUIREMENT.—The Secretary
13 shall commission an independent evaluation of state-of
14 the-art teacher induction programs supported under this
15 section in order to compare the design and outcome of
16 various models of induction programs.

17 “(e) AUTHORIZATION OF APPROPRIATIONS.—To
18 carry out this section, there is authorized to be appro-
19 priated \$300,000,000 for fiscal year 2006 and such sums
20 as may be necessary for each of the 5 succeeding fiscal
21 years.

22 **“SEC. 2512. PEER MENTORING AND REVIEW PROGRAMS.**

23 “(a) GRANTS.—The Secretary shall make grants to
24 local educational agencies for peer mentoring and review
25 programs.

1 “(b) USE OF FUNDS.—A local educational agency
2 that receives a grant under this section shall use the funds
3 made available through the grant to establish and imple-
4 ment a peer mentoring and review program. Such a pro-
5 gram shall be established through collective bargaining
6 agreements or, in States that do not recognize collective
7 bargaining between local educational agencies and teacher
8 organizations, through joint agreements between the local
9 educational agency and affected teacher organizations.

10 “(c) APPLICATION.—To seek a grant under this sec-
11 tion, a local educational agency shall submit an application
12 at such time, in such manner, and containing such infor-
13 mation as the Secretary may reasonably require. The Sec-
14 retary shall require each such application to include the
15 following:

16 “(1) Data from the applicant on recruitment
17 and retention prior to implementing the induction
18 program.

19 “(2) Measurable goals for increasing retention
20 after the induction program is implemented.

21 “(3) Measures that will be used to determine
22 whether teacher effectiveness is improved through
23 participation in the induction program.

24 “(4) A plan for evaluating and reporting
25 progress toward meeting the applicant’s goals.

1 “(d) PROGRESS REPORTS.—The Secretary shall re-
 2 quire each grantee under this section to submit progress
 3 reports on an annual basis.

4 “(e) AUTHORIZATION OF APPROPRIATIONS.—To
 5 carry out this section, there are authorized to be appro-
 6 priated \$50,000,000 for fiscal year 2006 and such sums
 7 as may be necessary for each of the 5 succeeding fiscal
 8 years.

9 **“SEC. 2513. ESTABLISHING STATE-OF-THE-ART PRINCIPAL**
 10 **TRAINING AND INDUCTION PROGRAMS AND**
 11 **PERFORMANCE-BASED PRINCIPAL CERTIFI-**
 12 **CATION.**

13 “(a) GRANTS.—The Secretary may make grants to
 14 not more than 10 States to develop, implement, and evalu-
 15 ate pilot programs for performance-based certification and
 16 training of exemplary, highly qualified principals who can
 17 drive gains in academic achievement for all children.

18 “(b) PROGRAM REQUIREMENTS.—A pilot program
 19 developed under this section—

20 “(1) shall pilot the development, implementa-
 21 tion, and evaluation of a statewide performance-
 22 based system for certifying principals;

23 “(2) shall pilot and demonstrate the effective-
 24 ness of statewide performance-based certification

1 through support for innovative performance-based
2 programs on a smaller scale;

3 “(3) shall provide for certification of principals
4 by institutions with strong track records, such as a
5 local educational agency, nonprofit organization, or
6 business school, that is approved by the State for
7 purposes of such certification and has formalized
8 partnerships with in-State local educational agencies;

9 “(4) may be used to develop, sustain, and ex-
10 pand model programs for recruiting and training as-
11 piring and new principals in both instructional lead-
12 ership and general management skills;

13 “(5) shall include evaluation of the results of
14 the pilot program and other in-State programs of
15 principal preparation (which evaluation may include
16 value-added assessment scores of all children in a
17 school and should emphasize the correlation of aca-
18 demic achievement gains in schools led by partici-
19 pating principals and the characteristics and skills
20 demonstrated by those individuals when applying to
21 and participating in the program) to inform the de-
22 sign of certification of individuals to become school
23 leaders in the State; and

1 “(6) shall make possible interim certification
2 for up to 2 years for aspiring principals partici-
3 pating in the pilot program who—

4 “(A) have not yet attained full certifi-
5 cation;

6 “(B) are serving as assistant principals or
7 principal residents, or in positions of similar re-
8 sponsibility; and

9 “(C) have met clearly defined criteria for
10 entry into the program that are approved by
11 the applicable local educational agency.

12 “(c) PRIORITY.—In selecting grant recipients under
13 this section, the Secretary shall give priority to States that
14 will use the grants for one or more high-need local edu-
15 cational agencies and schools.

16 “(d) TERMS OF GRANT.—A grant under this sec-
17 tion—

18 “(1) shall be for not more than 5 years; and

19 “(2) shall be performance-based, permitting the
20 Secretary to discontinue funding based on failure of
21 the State to meet benchmarks identified by the
22 State.

23 “(e) USE OF EVALUATION RESULTS.—A State re-
24 ceiving a grant under this section shall use the evaluation
25 results of the pilot program conducted pursuant to the

1 grant and similar evaluations of other in-State programs
 2 of principal preparation (especially the correlation of aca-
 3 demic achievement gains in schools led by participating
 4 principals and the characteristics and skills demonstrated
 5 by those individuals when applying to and participating
 6 in the pilot program) to inform the design of certification
 7 of individuals to become school leaders in the State.

8 “(f) DEFINITIONS.—For the purposes of this section:

9 “(1) The term ‘exemplary, highly qualified prin-
 10 cipal’ has the meaning given to that term in section
 11 2501.

12 “(2) The term ‘performance-based certification
 13 system’ means a certification system that—

14 “(A) is based on a clearly defined set of
 15 standards for skills and knowledge needed by
 16 new principals;

17 “(B) is not based on numbers of hours en-
 18 rolled in particular courses;

19 “(C) certifies participating individuals to
 20 become school leaders primarily based on—

21 “(i) their demonstration of those skills
 22 through a formal assessment aligned to
 23 these standards; and

1 “(ii) academic achievement results in
 2 a school leadership role such as a residency
 3 or an assistant principalship; and

4 “(D) awards certification to individuals
 5 who successfully complete programs at institu-
 6 tions that include local educational agencies,
 7 nonprofit organizations, and business schools
 8 approved by the State for purposes of such cer-
 9 tification and have formalized partnerships with
 10 in-State local educational agencies.

11 “(g) AUTHORIZATION OF APPROPRIATIONS.—To
 12 carry out this section, there are authorized to be appro-
 13 priated \$100,000,000 for fiscal year 2006 and such sums
 14 as may be necessary for each of the 5 succeeding fiscal
 15 years.

16 **“SEC. 2514. STUDY ON DEVELOPING A PORTABLE PER-**
 17 **FORMANCE-BASED TEACHER ASSESSMENT.**

18 “(a) STUDY.—

19 “(1) IN GENERAL.—The Secretary shall enter
 20 into an arrangement with an objective evaluation
 21 firm to conduct a study to assess the validity of any
 22 test used for teacher certification or licensure by
 23 multiple States, taking into account the passing
 24 scores adopted by multiple States. The study shall
 25 determine the following:

1 “(A) The extent to which tests of content
2 knowledge represent subject mastery at the bac-
3 calaureate level.

4 “(B) Whether tests of pedagogy reflect the
5 latest research on teaching and learning.

6 “(C) The relationship, if any, between
7 teachers’ scores on licensure and certification
8 exams and other measures of teacher effective-
9 ness, including learning gains achieved by the
10 teachers’ students.

11 “(2) REPORT.—The Secretary shall submit a
12 report to the Congress on the results of the study
13 conducted under this subsection.

14 “(b) GRANT TO CREATE A MODEL PERFORMANCE-
15 BASED ASSESSMENT.—

16 “(1) GRANT.—The Secretary may make 1
17 grant to an eligible partnership to create a model
18 performance-based assessment of teaching skills that
19 reliably evaluates teaching skills in practice and can
20 be used to facilitate the portability of teacher cre-
21 dentials and licensing from one State to another.

22 “(2) CONSIDERATION OF STUDY.—In creating a
23 model performance-based assessment of teaching
24 skills, the recipient of a grant under this section

1 shall take into consideration the results of the study
 2 conducted under subsection (a).

3 “(3) ELIGIBLE PARTNERSHIP.—In this section,
 4 the term ‘eligible partnership’ means a partnership
 5 of—

6 “(A) an independent professional organiza-
 7 tion; and

8 “(B) an organization that represents ad-
 9 ministrators of State educational agencies.”.

10 **SEC. 302. AMENDMENT TO THE HIGHER EDUCATION ACT**
 11 **OF 1965: TEACHER QUALITY ENHANCEMENT**
 12 **GRANTS.**

13 Part A of title II of the Higher Education Act of
 14 1965 is amended by striking sections 206 through 209
 15 (20 U.S.C. 1026–1029) and inserting the following:

16 **“SEC. 206. ACCOUNTABILITY AND EVALUATION.**

17 “(a) STATE GRANT ACCOUNTABILITY REPORT.—An
 18 eligible State that receives a grant under section 202 shall
 19 submit an annual accountability report to the Secretary,
 20 the Committee on Health, Education, Labor, and Pen-
 21 sions of the Senate, and the Committee on Education and
 22 the Workforce of the House of Representatives. Such re-
 23 port shall include a description of the degree to which the
 24 eligible State, in using funds provided under such section,

1 has made substantial progress in meeting the following
2 goals:

3 “(1) PERCENTAGE OF HIGHLY QUALIFIED
4 TEACHERS.—Increasing the percentage of highly
5 qualified teachers in the State as required by section
6 1119 of the Elementary and Secondary Education
7 Act of 1965 (20 U.S.C. 6319).

8 “(2) STUDENT ACADEMIC ACHIEVEMENT.—In-
9 creasing student academic achievement for all stu-
10 dents, which may be measured through the use of
11 value-added assessments, as defined by the eligible
12 State.

13 “(3) RAISING STANDARDS.—Raising the State
14 academic standards required to enter the teaching
15 profession as a highly qualified teacher.

16 “(4) INITIAL CERTIFICATION OR LICENSURE.—
17 Increasing success in the pass rate for initial State
18 teacher certification or licensure, or increasing the
19 numbers of qualified individuals being certified or li-
20 censed as teachers through alternative routes to cer-
21 tification and licensure.

22 “(5) DECREASING TEACHER SHORTAGES.—De-
23 creasing shortages of highly qualified teachers in
24 poor urban and rural areas.

1 “(6) INCREASING OPPORTUNITIES FOR RE-
 2 SEARCH-BASED PROFESSIONAL DEVELOPMENT.—In-
 3 creasing opportunities for enhanced and ongoing
 4 professional development that—

5 “(A) improves the academic content knowl-
 6 edge of teachers in the subject areas in which
 7 the teachers are certified or licensed to teach or
 8 in which the teachers are working toward cer-
 9 tification or licensure to teach; and

10 “(B) promotes strong teaching skills.

11 “(7) TECHNOLOGY INTEGRATION.—Increasing
 12 the number of teachers prepared effectively to inte-
 13 grate technology into curricula and instruction and
 14 who use technology to collect, manage, and analyze
 15 data to improve teaching, learning, and parental in-
 16 volvement decisionmaking for the purpose of increas-
 17 ing student academic achievement.

18 “(b) ELIGIBLE PARTNERSHIP EVALUATION.—Each
 19 eligible partnership applying for a grant under section 203
 20 shall establish, and include in the application submitted
 21 under section 203(c), an evaluation plan that includes
 22 strong performance objectives. The plan shall include ob-
 23 jectives and measures for—

24 “(1) increased student achievement for all stu-
 25 dents, as measured by the partnership;

1 “(2) increased teacher retention in the first 3
2 years of a teacher’s career;

3 “(3) increased success in the pass rate for ini-
4 tial State certification or licensure of teachers;

5 “(4) increased percentage of highly qualified
6 teachers; and

7 “(5) increasing the number of teachers trained
8 effectively to integrate technology into curricula and
9 instruction and who use technology to collect, man-
10 age, and analyze data to improve teaching, learning,
11 and decisionmaking for the purpose of improving
12 student academic achievement.

13 “(c) REVOCATION OF GRANT.—

14 “(1) REPORT.—Each eligible State or eligible
15 partnership receiving a grant under section 202 or
16 203 shall report annually on the progress of the eli-
17 gible State or eligible partnership toward meeting
18 the purposes of this part and the goals, objectives,
19 and measures described in subsections (a) and (b).

20 “(2) REVOCATION.—

21 “(A) ELIGIBLE STATES AND ELIGIBLE AP-
22 PLICANTS.—If the Secretary determines that an
23 eligible State or eligible applicant is not making
24 substantial progress in meeting the purposes,
25 goals, objectives, and measures, as appropriate,

1 by the end of the second year of a grant under
 2 this part, then the grant payment shall not be
 3 made for the third year of the grant.

4 “(B) ELIGIBLE PARTNERSHIPS.—If the
 5 Secretary determines that an eligible partner-
 6 ship is not making substantial progress in
 7 meeting the purposes, goals, objectives, and
 8 measures, as appropriate, by the end of the
 9 third year of a grant under this part, then the
 10 grant payments shall not be made for any suc-
 11 ceeding year of the grant.

12 “(d) EVALUATION AND DISSEMINATION.—The Sec-
 13 retary shall evaluate the activities funded under this part
 14 and report annually the Secretary’s findings regarding the
 15 activities to the Committee on Health, Education, Labor,
 16 and Pensions of the Senate and the Committee on Edu-
 17 cation and the Workforce of the House of Representatives.
 18 The Secretary shall broadly disseminate successful prac-
 19 tices developed by eligible States and eligible partnerships
 20 under this part, and shall broadly disseminate information
 21 regarding such practices that were found to be ineffective.

22 **“SEC. 207. ACCOUNTABILITY FOR PROGRAMS THAT PRE-**
 23 **PARE TEACHERS.**

24 “(a) STATE REPORT CARD ON THE QUALITY OF
 25 TEACHER AND PRINCIPAL PREPARATION.—Each State

1 that receives funds under this Act shall provide to the Sec-
2 retary annually, in a uniform and comprehensible manner
3 that conforms with the definitions and methods estab-
4 lished by the Secretary, a State report card on the quality
5 of teacher preparation in the State, both for traditional
6 certification or licensure programs and for alternative cer-
7 tification or licensure programs, which shall include at
8 least the following:

9 “(1) A description of the teacher and principal
10 certification and licensure assessments, and any
11 other certification and licensure requirements, used
12 by the State.

13 “(2) The standards and criteria that prospec-
14 tive teachers and principals must meet in order to
15 attain initial teacher and principal certification or li-
16 censure and to be certified or licensed to teach par-
17 ticular subjects or in particular grades within the
18 State.

19 “(3) A demonstration of the extent to which the
20 assessments and requirements described in para-
21 graph (1) are aligned with the State’s standards and
22 assessments for students.

23 “(4) The percentage of students who have com-
24 pleted the clinical coursework for a teacher prepara-
25 tion program at an institution of higher education or

1 alternative certification program and who have taken
2 and passed each of the assessments used by the
3 State for teacher certification and licensure, and the
4 passing score on each assessment that determines
5 whether a candidate has passed that assessment.

6 “(5) For students who have completed the clin-
7 ical coursework for a teacher preparation program
8 at an institution of higher education or alternative
9 certification program, and who have taken and
10 passed each of the assessments used by the State for
11 teacher certification and licensure, each such institu-
12 tion’s and each such program’s average raw score,
13 ranked by teacher preparation program, which shall
14 be made available widely and publicly.

15 “(6) A description of each State’s alternative
16 routes to teacher certification, if any, and the num-
17 ber and percentage of teachers certified through
18 each alternative certification route who pass State
19 teacher certification or licensure assessments.

20 “(7) For each State, a description of proposed
21 criteria for assessing the performance of teacher and
22 principal preparation programs in the State, includ-
23 ing indicators of teacher and principal candidate
24 skills, placement, and retention rates (to the extent

1 feasible), and academic content knowledge and evi-
 2 dence of gains in student academic achievement.

3 “(8) For each teacher preparation program in
 4 the State, the number of students in the program,
 5 the number of minority students in the program, the
 6 average number of hours of supervised practice
 7 teaching required for those in the program, and the
 8 number of full-time equivalent faculty, adjunct fac-
 9 ulty, and students in supervised practice teaching.

10 “(9) For the State as a whole, and for each
 11 teacher preparation program in the State, the num-
 12 ber of teachers prepared, in the aggregate and re-
 13 ported separately by—

14 “(A) level (elementary or secondary);

15 “(B) academic major;

16 “(C) subject or subjects for which the stu-
 17 dent has been prepared to teach; and

18 “(D) teacher candidates who speak a lan-
 19 guage other than English and have been trained
 20 specifically to teach English-language learners.

21 “(10) The State shall refer to the data gen-
 22 erated for paragraphs (8) and (9) to report on the
 23 extent to which teacher preparation programs are
 24 helping to address shortages of qualified teachers, by
 25 level, subject, and specialty, in the State’s public

1 schools, especially in poor urban and rural areas as
 2 required by section 206(a)(5).

3 “(b) REPORT OF THE SECRETARY ON THE QUALITY
 4 OF TEACHER PREPARATION.—

5 “(1) REPORT CARD.—The Secretary shall pro-
 6 vide to Congress, and publish and make widely avail-
 7 able, a report card on teacher qualifications and
 8 preparation in the United States, including all the
 9 information reported in paragraphs (1) through (10)
 10 of subsection (a). Such report shall identify States
 11 for which eligible States and eligible partnerships re-
 12 ceived a grant under this part. Such report shall be
 13 so provided, published and made available annually.

14 “(2) REPORT TO CONGRESS.—The Secretary
 15 shall report to Congress—

16 “(A) a comparison of States’ efforts to im-
 17 prove teaching quality; and

18 “(B) regarding the national mean and me-
 19 dian scores on any standardized test that is
 20 used in more than 1 State for teacher certifi-
 21 cation or licensure.

22 “(3) SPECIAL RULE.—In the case of programs
 23 with fewer than 10 students who have completed the
 24 clinical coursework for a teacher preparation pro-
 25 gram taking any single initial teacher certification or

1 licensure assessment during an academic year, the
 2 Secretary shall collect and publish information with
 3 respect to an average pass rate on State certification
 4 or licensure assessments taken over a 3-year period.

5 “(c) COORDINATION.—The Secretary, to the extent
 6 practicable, shall coordinate the information collected and
 7 published under this part among States for individuals
 8 who took State teacher certification or licensure assess-
 9 ments in a State other than the State in which the indi-
 10 vidual received the individual’s most recent degree.

11 “(d) INSTITUTION AND PROGRAM REPORT CARDS ON
 12 QUALITY OF TEACHER PREPARATION.—

13 “(1) REPORT CARD.—Each institution of higher
 14 education or alternative certification program that
 15 conducts a teacher preparation program that enrolls
 16 students receiving Federal assistance under this Act
 17 shall report annually to the State and the general
 18 public, in a uniform and comprehensible manner
 19 that conforms with the definitions and methods es-
 20 tablished by the Secretary, both for traditional cer-
 21 tification or licensure programs and for alternative
 22 certification or licensure programs, the following in-
 23 formation, disaggregated by major racial and ethnic
 24 groups:

1 “(A) PASS RATE.—(i) For the most recent
2 year for which the information is available, the
3 pass rate of each student who has completed
4 the clinical coursework for the teacher prepara-
5 tion program on the teacher certification or li-
6 censure assessments of the State in which the
7 institution is located, but only for those stu-
8 dents who took those assessments within 3
9 years of receiving a degree from the institution
10 or completing the program.

11 “(ii) A comparison of the institution or
12 program’s pass rate for students who have com-
13 pleted the clinical coursework for the teacher
14 preparation program with the average pass rate
15 for institutions and programs in the State.

16 “(iii) In the case of programs with fewer
17 than 10 students who have completed the clin-
18 ical coursework for a teacher preparation pro-
19 gram taking any single initial teacher certifi-
20 cation or licensure assessment during an aca-
21 demic year, the institution shall collect and
22 publish information with respect to an average
23 pass rate on State certification or licensure as-
24 sessments taken over a 3-year period.

1 “(B) PROGRAM INFORMATION.—The num-
 2 ber of students in the program, the average
 3 number of hours of supervised practice teaching
 4 required for those in the program, and the
 5 number of full-time equivalent faculty and stu-
 6 dents in supervised practice teaching.

7 “(C) STATEMENT.—In States that require
 8 approval or accreditation of teacher education
 9 programs, a statement of whether the institu-
 10 tion’s program is so approved or accredited,
 11 and by whom.

12 “(D) DESIGNATION AS LOW-PER-
 13 FORMING.—Whether the program has been des-
 14 ignated as low-performing by the State under
 15 section 208(a).

16 “(2) REQUIREMENT.—The information de-
 17 scribed in paragraph (1) shall be reported through
 18 publications such as school catalogs and promotional
 19 materials sent to potential applicants, secondary
 20 school guidance counselors, and prospective employ-
 21 ers of the institution’s program graduates, including
 22 materials sent by electronic means.

23 “(3) FINES.—In addition to the actions author-
 24 ized in section 487(c), the Secretary may impose a
 25 fine not to exceed \$25,000 on an institution of high-

1 er education for failure to provide the information
2 described in this subsection in a timely or accurate
3 manner.

4 “(e) DATA QUALITY.—Either—

5 “(1) the Governor of the State; or

6 “(2) in the case of a State for which the con-
7 stitution or law of such State designates another in-
8 dividual, entity, or agency in the State to be respon-
9 sible for teacher certification and preparation activ-
10 ity, such individual, entity, or agency;

11 shall attest annually, in writing, as to the reliability, valid-
12 ity, integrity, and accuracy of the data submitted pursuant
13 to this section.

14 **“SEC. 208. STATE FUNCTIONS.**

15 “(a) STATE ASSESSMENT.—In order to receive funds
16 under this Act, a State shall have in place a procedure
17 to identify and assist, through the provision of technical
18 assistance, low-performing programs of teacher prepara-
19 tion within institutions of higher education. Such State
20 shall provide the Secretary an annual list of such low-per-
21 forming institutions that includes an identification of
22 those institutions at risk of being placed on such list. Such
23 levels of performance shall be determined solely by the
24 State and may include criteria based upon information col-
25 lected pursuant to this part. Such assessment shall be de-

1 scribed in the report under section 207(a). A State receiv-
2 ing Federal funds under this title shall develop plans to
3 close or reconstitute underperforming programs of teacher
4 preparation within institutions of higher education.

5 “(b) TERMINATION OF ELIGIBILITY.—Any institu-
6 tion of higher education that offers a program of teacher
7 preparation in which the State has withdrawn the State’s
8 approval or terminated the State’s financial support due
9 to the low performance of the institution’s teacher prepa-
10 ration program based upon the State assessment described
11 in subsection (a)—

12 “(1) shall be ineligible for any funding for pro-
13 fessional development activities awarded by the De-
14 partment of Education; and

15 “(2) shall not be permitted to accept or enroll
16 any student who receives aid under title IV of this
17 Act in the institution’s teacher preparation program.

18 **“SEC. 209. GENERAL PROVISIONS.**

19 “In complying with sections 207 and 208, the Sec-
20 retary shall ensure that States and institutions of higher
21 education use fair and equitable methods in reporting and
22 that the reporting methods do not allow identification of
23 individuals.”.

1 **SEC. 303. ENFORCING NCLB'S TEACHER EQUITY PROVI-**
 2 **SION.**

3 Subpart 2 of part E of title IX of the Elementary
 4 and Secondary Education Act of 1965 (20 U.S.C. 7901
 5 et seq.) is amended by adding at the end the following:

6 **"SEC. 9537. ASSURANCE OF REASONABLE PROGRESS TO-**
 7 **WARD EQUITABLE ACCESS TO TEACHER**
 8 **QUALITY.**

9 "(a) IN GENERAL.—The Secretary may not provide
 10 any assistance to a State under this Act unless, in the
 11 State's application for such assistance, the State—

12 "(1) provides the plan required by section
 13 1111(b)(8)(C) and at least one public report pursu-
 14 ant to that section;

15 "(2) clearly articulates the measures the State
 16 is using to determine whether poor and minority stu-
 17 dents are being taught disproportionately by inexpe-
 18 rienced, unqualified, or out-of-field teachers;

19 "(3) includes an evaluation of the success of the
 20 State's plan required by section 1111(b)(8)(C) in
 21 addressing any such disparities;

22 "(4) with respect to any such disparities, pro-
 23 poses modifications to such plan; and

24 "(5) includes a description of the State's activi-
 25 ties to monitor the compliance of local educational
 26 agencies in the State with section 1112(c)(1)(L).

1 “(b) EFFECTIVE DATE.—This section applies with
 2 respect to any assistance under this Act for which an ap-
 3 plication is submitted after the date of the enactment of
 4 this section.”.

5 **TITLE IV—EQUIPPING TEACH-**
 6 **ERS, SCHOOLS, LOCAL EDU-**
 7 **CATIONAL AGENCIES, AND**
 8 **STATES WITH THE 21ST CEN-**
 9 **TURY DATA, TOOLS, AND AS-**
 10 **SESSMENTS THEY NEED**

11 **SEC. 401. 21ST CENTURY DATA, TOOLS, AND ASSESSMENTS.**

12 Part E of title II of the Elementary and Secondary
 13 Education Act of 1965, as added by titles II and III of
 14 this Act, is amended by adding at the end the following:

15 **“Subpart 3—21st Century Data, Tools, and**
 16 **Assessments**

17 **“SEC. 2521. DEVELOPING VALUE-ADDED DATA SYSTEMS.**

18 **“(a) TEACHER AND PRINCIPAL EVALUATION.—**

19 **“(1) GRANTS.—**The Secretary shall make
 20 grants to States to develop and implement statewide
 21 data systems to collect and analyze data on the ef-
 22 fectiveness of elementary school and secondary
 23 school teachers and principals, based on value-added
 24 student achievement gains, for the purposes of—

1 “(A) determining the distribution of effective teachers and principals in schools across the State;

2 “(B) developing measures for helping teachers and principals to improve their instruction; and

3 “(C) evaluating effectiveness of teacher and principal preparation programs.

4 “(2) DATA REQUIREMENTS.—At a minimum, a statewide data system under this section shall—

5 “(A) track student course-taking patterns and teacher characteristics, such as certification status and performance on licensure exams; and

6 “(B) allow for the analysis of gains in achievement made by individual students over time, including gains demonstrated through student academic assessments under section 1111 and tests required by the State for course completion.

7 “(3) STANDARDS.—The Secretary shall develop standards for the collection of data with grant funds under this section to ensure that such data are statistically valid and reliable.

8 “(4) APPLICATION.—To seek a grant under this section, a State shall submit an application at such

1 time, in such manner, and containing such informa-
 2 tion as the Secretary may require. At a minimum,
 3 each such application shall demonstrate to the Sec-
 4 retary's satisfaction that the assessments used by
 5 the State to collect and analyze data for purposes of
 6 this subsection—

7 “(A) are aligned to State standards;

8 “(B) have the capacity to assess the
 9 highest- and lowest-performing students; and

10 “(C) are statistically valid and reliable.

11 “(b) TEACHER TRAINING.—The Secretary may make
 12 grants to institutions of higher education, local edu-
 13 cational agencies, nonprofit organizations, and teacher or-
 14 ganizations to develop and implement innovative programs
 15 to provide preservice and in-service training to elementary
 16 and secondary schools on—

17 “(1) understanding increasingly sophisticated
 18 student achievement data, especially data derived
 19 from value-added longitudinal data systems; and

20 “(2) using such data to improve classroom in-
 21 struction.

22 “(c) STUDY.—The Secretary shall enter into an
 23 agreement with the National Academy of Sciences—

24 “(1) to evaluate the quality of data on the ef-
 25 fectiveness of elementary and secondary school

1 teachers, based on value-added student achievement
2 gains; and

3 “(2) to compare a range of models for collecting
4 and analyzing such data.

5 “(d) AUTHORIZATION OF APPROPRIATIONS.—To
6 carry out this section, there are authorized to be appro-
7 priated \$200,000,000 for the period of fiscal years 2006
8 and 2007 and such sums as may be necessary for each
9 of the 4 succeeding fiscal years.”.

10 **SEC. 402. COLLECTING NATIONAL DATA ON DISTRIBUTION**
11 **OF TEACHERS.**

12 Section 155 of the Education Sciences Reform Act
13 of 2002 (20 U.S.C. 9545) is amended by adding at the
14 end the following:

15 “(d) SCHOOLS AND STAFFING SURVEY.—Not later
16 than the end of fiscal year 2006, and every 3 years there-
17 after, the Statistics Commissioner shall publish the results
18 of the Schools and Staffing Survey (or any successor sur-
19 vey).”.

1 **TITLE V—RETENTION: KEEPING**
2 **OUR BEST TEACHERS IN THE**
3 **CLASSROOM**

4 **SEC. 501. AMENDMENT TO ELEMENTARY AND SECONDARY**
5 **EDUCATION ACT OF 1965.**

6 Part E of title II of the Elementary and Secondary
7 Education Act of 1965, as added by titles II, III, and IV
8 of this Act, is amended by adding at the end the following:

9 **“Subpart 4—Retention and Working Conditions**

10 **“SEC. 2531. IMPROVING PROFESSIONAL DEVELOPMENT OP-**
11 **PORTUNITIES.**

12 “(a) GRANTS.—The Secretary may make grants to
13 eligible entities for the establishment and operation of new
14 teacher centers or the support of existing teacher centers.

15 “(b) SPECIAL CONSIDERATION.—In making grants
16 under this section, the Secretary shall give special consid-
17 eration to any application submitted by an eligible entity
18 that is—

19 “(1) a high-need local educational agency; or

20 “(2) a consortium that includes at least one
21 high-need local educational agency.

22 “(c) DURATION.—Each grant under this section shall
23 be for a period of 3 years.

1 “(d) REQUIRED ACTIVITIES.—A teacher center re-
2 ceiving assistance under this section shall carry out each
3 of the following activities:

4 “(1) Providing high-quality professional devel-
5 opment to teachers to assist them in improving their
6 knowledge, skills, and teaching practices in order to
7 help students to improve their achievement and meet
8 State academic standards.

9 “(2) Providing teachers with information on de-
10 velopments in curricula, assessments, and edu-
11 cational research, including the manner in which the
12 research and data can be used to improve teaching
13 skills and practice.

14 “(3) Providing training and support for new
15 teachers.

16 “(e) PERMISSIBLE ACTIVITIES.—A teacher center
17 may use assistance under this section for any of the fol-
18 lowing:

19 “(1) Assessing the professional development
20 needs of the teachers and other instructional school
21 employees, such as librarians, counselors, and para-
22 professionals, to be served by the center.

23 “(2) Providing intensive support to staff to im-
24 prove instruction in literacy, mathematics, science,

1 and other curricular areas necessary to provide a
2 well-rounded education to students.

3 “(3) Providing support to mentors working with
4 new teachers.

5 “(4) Providing training in effective instructional
6 services and classroom management strategies for
7 mainstream teachers serving students with disabil-
8 ities and students with limited English proficiency.

9 “(5) Enabling teachers to engage in study
10 groups and other collaborative activities and collegial
11 interactions regarding instruction.

12 “(6) Paying for release time and substitute
13 teachers in order to enable teachers to participate in
14 the activities of the teacher center.

15 “(7) Creating libraries of professional materials
16 and educational technology.

17 “(8) Providing high-quality professional devel-
18 opment for other instructional staff, such as para-
19 professionals, librarians, and counselors.

20 “(9) Assisting teachers to become highly quali-
21 fied and paraprofessionals to become teachers.

22 “(10) Assisting paraprofessionals to meet the
23 requirements of section 1119.

24 “(11) Developing curricula.

1 “(12) Incorporating additional on-line profes-
2 sional development resources for participants.

3 “(13) Providing funding for individual- or
4 group-initiated classroom projects.

5 “(14) Developing partnerships with businesses
6 and community-based organizations.

7 “(15) Establishing a teacher center site.

8 “(f) TEACHER CENTER POLICY BOARD.—

9 “(1) IN GENERAL.—A teacher center receiving
10 assistance under this section shall be operated under
11 the supervision of a teacher center policy board.

12 “(2) MEMBERSHIP.—

13 “(A) TEACHER REPRESENTATIVES.—The
14 majority of the members of a teacher center
15 policy board shall be representatives of, and se-
16 lected by, the elementary and secondary school
17 teachers to be served by the teacher center.
18 Such representatives shall be selected through
19 the teacher organization, or if there is no teach-
20 er organization, by the teachers directly.

21 “(B) OTHER REPRESENTATIVES.—The
22 members of a teacher center policy board—

23 “(i) shall include at least two mem-
24 bers who are representative of, or des-
25 ignated by, the school board of the local

1 educational agency to be served by the
2 teacher center;

3 “(ii) shall include at least one member
4 who is a representative of, and is des-
5 ignated by, the institutions of higher edu-
6 cation (with departments or schools of edu-
7 cation) located in the area; and

8 “(iii) may include paraprofessionals.

9 “(g) APPLICATION.—

10 “(1) IN GENERAL.—To seek a grant under this
11 section, an eligible entity shall submit an application
12 at such time, in such manner, and accompanied by
13 such information as the Secretary may reasonably
14 require.

15 “(2) ASSURANCE OF COMPLIANCE.—An appli-
16 cation under paragraph (1) shall include an assur-
17 ance that the applicant will require any teacher cen-
18 ter receiving assistance through the grant to comply
19 with the requirements of this section.

20 “(3) TEACHER CENTER POLICY BOARD.—An
21 application under paragraph (1) shall include the
22 following:

23 “(A) An assurance that—

24 “(i) the applicant has established a
25 teacher center policy board;

1 “(ii) the board participated fully in
2 the preparation of the application; and

3 “(iii) the board approved the applica-
4 tion as submitted.

5 “(B) A description of the membership of
6 the board and the method of its selection.

7 “(h) DEFINITIONS.—In this section:

8 “(1) The term ‘eligible entity’ means a local
9 educational agency or a consortium of 2 or more
10 local educational agencies.

11 “(2) The term ‘teacher center policy board’
12 means a teacher center policy board described in
13 subsection (f).

14 “(i) AUTHORIZATION OF APPROPRIATIONS.—To
15 carry out this section, there are authorized to be appro-
16 priated \$100,000,000 for fiscal year 2006 and such sums
17 as may be necessary for each of the 5 succeeding fiscal
18 years.”.

19 **SEC. 502. EXCLUSION FROM GROSS INCOME OF COMPENSA-**
20 **TION OF TEACHERS AND PRINCIPALS IN CER-**
21 **TAIN HIGH-NEED SCHOOLS OR TEACHING**
22 **HIGH-NEED SUBJECTS.**

23 (a) IN GENERAL.—Part III of subchapter B of chap-
24 ter 1 of the Internal Revenue Code of 1986 is amended
25 by inserting after section 139A the following new section:

1 **“SEC. 139B. COMPENSATION OF CERTAIN TEACHERS AND**
2 **PRINCIPALS.**

3 “(a) TEACHERS AND PRINCIPALS IN HIGH-NEED
4 SCHOOLS.—

5 “(1) IN GENERAL.—In the case of an individual
6 employed as a teacher or principal in a high-need
7 school during the taxable year, gross income does
8 not include so much remuneration for such employ-
9 ment (which would but for this paragraph be includ-
10 ible in gross income) as does not exceed \$15,000.

11 “(2) HIGH-NEED SCHOOL.—For purposes of
12 this subsection, the term ‘high-need school’ means
13 any public elementary school or public secondary
14 school eligible for assistance under section 1114 of
15 the Elementary and Secondary Education Act of
16 1965 (20 U.S.C. 6314).

17 “(b) TEACHERS OF HIGH-NEED SUBJECTS.—

18 “(1) IN GENERAL.—In the case of an individual
19 employed as a teacher of high-need subjects during
20 the taxable year, gross income does not include so
21 much remuneration for such employment (which
22 would but for this paragraph be includible in gross
23 income) as does not exceed \$15,000.

24 “(2) TEACHER OF HIGH-NEED SUBJECTS.—For
25 purposes of this subsection, the term ‘teacher of

1 high-need subjects’ means any teacher in a public el-
 2 ementary or secondary school who—

3 “(A)(i) teaches primarily 1 or more high-
 4 need subjects in 1 or more grades 9 through
 5 12, or

6 “(ii) teaches 1 or more high-need subjects
 7 in 1 or more grades kindergarten through 8,

8 “(B) received a baccalaureate or similar
 9 degree from an eligible educational institution
 10 (as defined in section 25A(f)(2)) with a major
 11 in a high-need subject, and

12 “(C) is highly qualified (as defined in sec-
 13 tion 9101(23) of the Elementary and Secondary
 14 Education Act of 1965).

15 “(3) HIGH-NEED SUBJECTS.—For purposes of
 16 this subsection, the term ‘high-need subject’ means
 17 mathematics, science, engineering, technology, spe-
 18 cial education, teaching English language learners,
 19 or any other subject identified as a high-need subject
 20 by the Secretary of Education for purposes of this
 21 section.

22 “(c) LIMITATION ON TOTAL REMUNERATION TAKEN
 23 INTO ACCOUNT.—In the case of any individual whose em-
 24 ployment is described in subsections (a)(1) and (b)(1), the
 25 total amount of remuneration which may be taken into

1 account with respect to such employment under this sec-
 2 tion for the taxable year shall not exceed \$25,000.”.

3 (b) CLERICAL AMENDMENT.—The table of section of
 4 such part is amended by inserting after the item relating
 5 to section 139A the following new item:

“Sec. 139B. Compensation of certain teachers and principals”.

6 (c) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to remuneration received in taxable
 8 years beginning after the date of the enactment of this
 9 Act.

10 **SEC. 503. ABOVE-THE-LINE DEDUCTION FOR CERTAIN EX-**
 11 **PENSES OF ELEMENTARY AND SECONDARY**
 12 **SCHOOL TEACHERS INCREASED AND MADE**
 13 **PERMANENT.**

14 (a) IN GENERAL.—Subparagraph (D) of section
 15 62(a)(2) of the Internal Revenue Code of 1986 is amended
 16 by striking “In the case of” and all that follows through
 17 “\$250” and inserting “The deductions allowed by section
 18 162 which consist of expenses, not in excess of \$500”.

19 (b) EFFECTIVE DATE.—The amendment made by
 20 this section shall apply to taxable years beginning after
 21 the date of the enactment of this Act.

1 **TITLE VI—MISCELLANEOUS**
 2 **PROVISIONS**

3 **SEC. 601. CONFORMING AMENDMENTS.**

4 The table of contents at section 2 of the Elementary
 5 and Secondary Education Act of 1965 (20 U.S.C. 6301
 6 et seq.) is amended—

7 (1) by inserting after the items relating to part
 8 D of title II of such Act the following new items:

“PART E—TEACHER EXCELLENCE FOR ALL CHILDREN

“Sec. 2500. Definitions.

“SUBPART 1—DISTRIBUTION

“Sec. 2501. Premium pay; loan repayment.

“Sec. 2502. Career ladders for teachers program.

“SUBPART 2—PREPARATION

“Sec. 2511. Establishing state-of-the-art teacher induction programs.

“Sec. 2512. Peer mentoring and review programs.

“Sec. 2513. Establishing state-of-the-art principal training and induction
 programs and performance-based principal certification.

“Sec. 2514. Study on developing a portable performance-based teacher as-
 sessment.

“SUBPART 3—21ST CENTURY DATA, TOOLS, AND ASSESSMENTS

“Sec. 2521. Developing value-added data systems.

“SUBPART 4—RETENTION AND WORKING CONDITIONS

“Sec. 2531. Improving professional development opportunities.”; and

9 (2) by inserting after the items relating to sub-
 10 part 2 of part E of title IX of the Elementary and
 11 Secondary Education Act of 1965 the following new
 12 item:

“Sec. 9537. Assurance of reasonable progress toward equitable access to teach-
 er quality.”.

