

111TH CONGRESS
1ST SESSION

H. R. 3683

To amend the Elementary and Secondary Education Act of 1965 to establish the Teacher Incentive Fund Program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 30, 2009

Mr. PRICE of Georgia (for himself and Mr. KLINE of Minnesota) introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To amend the Elementary and Secondary Education Act of 1965 to establish the Teacher Incentive Fund Program, 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 Incentive
5 Fund Act”.

6 **SEC. 2. TEACHER INCENTIVE FUND PROGRAM.**

7 Part C of title II of the Elementary and Secondary
8 Education Act of 1965 is amended by adding at the end
9 the following:

1 **“Subpart 6—Teacher Incentive Fund Program**

2 **“SEC. 2371. PURPOSES; DEFINITIONS.**

3 “(a) PURPOSES.—The purposes of this subpart are—

4 “(1) to assist States, local educational agencies,
5 and nonprofit organizations to develop, implement,
6 or improve comprehensive performance-based com-
7 pensation systems solely for teachers and principals,
8 especially for teachers and principals in high-need
9 schools, who raise student academic achievement and
10 close the achievement gap; and

11 “(2) to study and review performance-based
12 compensation systems for teachers and principals to
13 evaluate their effectiveness, fairness, quality, consist-
14 ency, and reliability.

15 “(b) DEFINITIONS.—For purposes of this subpart:

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

18 “(A) a local educational agency (including
19 a charter school that is a local educational
20 agency), or a consortium of such agencies;

21 “(B) a State educational agency, or other
22 State agency designated by the chief executive
23 of the State to participate under this subpart;
24 or

25 “(C) a partnership of—

1 “(i) one or more agencies described in
2 subparagraph (A) or (B), or both; and

3 “(ii) at least one nonprofit organiza-
4 tion.

5 “(2) HIGH-NEED LOCAL EDUCATIONAL AGEN-
6 CY.—The term ‘high-need local educational agency’
7 has the meaning given the term in section 2102.

8 “(3) HIGH-NEED SCHOOL.—The term ‘high-
9 need school’ has the meaning given the term in sec-
10 tion 2312.

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

15 “(A) differentiates levels of compensation
16 primarily on the basis of measurable increases
17 in student academic achievement; and

18 “(B) may include—

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

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

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

7 “(II) evidence of high achieve-
8 ment and mastery of content knowl-
9 edge and superior teaching skills that
10 shall be gathered through classroom
11 observations or other criteria devel-
12 oped through scientifically valid re-
13 search (as defined in section 200 of
14 the Higher Education Act of 1965 (20
15 U.S.C. 1021)).

16 **“SEC. 2372. TEACHER INCENTIVE FUND GRANTS.**

17 “(a) IN GENERAL.—From the amounts appropriated
18 to carry out this subpart, the Secretary is authorized to
19 make grants on a competitive basis to eligible entities to
20 develop, implement, or improve performance-based com-
21 pensation systems in participating schools.

22 “(b) PRIORITY.—In making such a grant, the Sec-
23 retary shall give priority to an eligible entity that con-
24 centrates its proposed activities on teachers and principals
25 serving in high-need schools.

1 “(c) APPLICATIONS.—To be eligible to receive a grant
2 under this subpart, an eligible entity shall submit an appli-
3 cation to the Secretary, at such time and in such manner
4 as the Secretary may reasonably require, that includes—

5 “(1) a description of the performance-based
6 compensation system that the applicant proposes to
7 develop and implement or improve;

8 “(2) a description and demonstration of the
9 support and commitment from teachers and prin-
10 cipals in the targeted schools, the community, and
11 local educational agency or agencies for the perform-
12 ance-based compensation system, including dem-
13 onstration of consultation with teachers and prin-
14 cipals on the development and implementation of the
15 performance-based compensation system;

16 “(3) a description of how the eligible entity will
17 develop and implement a fair, rigorous, and objective
18 process to evaluate teacher, principal, and student
19 performance, including the baseline performance
20 against which evaluations of improved performance
21 will be made;

22 “(4) a description and demonstration of how
23 teacher and principal views were included in the de-
24 velopment of the performance-based compensation
25 system;

1 “(5) a description of the local educational agen-
2 cy or local educational agencies to be served by the
3 project, including such demographic information
4 about students in the schools to be served by the
5 project as the Secretary may request;

6 “(6) information on student academic achieve-
7 ment, the quality of the teachers and principals, and
8 existing compensation, bonuses, and incentive sys-
9 tems for teachers and principals in the schools to be
10 served by the project;

11 “(7) a description of how the applicant will use
12 grant funds under this subpart in each year of the
13 grant;

14 “(8) a description of the comprehensive, focused
15 professional development that is aligned with stu-
16 dent content and achievement standards that the ap-
17 plicant will implement to support the performance-
18 based compensation system;

19 “(9) an explanation of how the grantee will con-
20 tinue its performance-based compensation system
21 after the grant ends;

22 “(10) a description, if applicable, of how the ap-
23 plicant will define the term ‘high-quality’ for the
24 purposes of section 2371(b)(4)(B)(i), through the
25 use of measurable indicators;

1 “(11) a description of the State, local, or phil-
2 anthropic funds that will be used to supplement the
3 grant and sustain the activities at the end of the
4 grant period; and

5 “(12) A description of how the applicant will
6 evaluate the project annually, including any objective
7 measures that are clearly related to the goals for the
8 project and information on how the evaluation will
9 produce quantitative and qualitative data.

10 “(d) USE OF FUNDS.—

11 “(1) IN GENERAL.—A grantee shall use grant
12 funds provided under this subpart only to develop,
13 implement, or improve, in collaboration with teach-
14 ers, principals, other school administrators, and
15 members of the public, a performance-based com-
16 pensation system consistent with the requirements of
17 this subpart.

18 “(2) AUTHORIZED ACTIVITIES.—Authorized ac-
19 tivities under this subpart may include the following:

20 “(A) Developing appraisal systems that re-
21 flect clear and fair measures of student aca-
22 demic achievement.

23 “(B) Developing appraisal systems that re-
24 flect clear and fair measures of teacher and

1 principal performance based on demonstrated
2 improvements in student academic achievement.

3 “(C) Conducting outreach within the local
4 educational agency (or agencies) or the State to
5 gain input on how to construct the appraisal
6 system and to develop support for it.

7 “(D) Paying, as part of a comprehensive
8 performance-based compensation system, bo-
9 nuses and increased salaries to teachers and
10 principals who raise student academic achieve-
11 ment, so long as the grantee uses an increasing
12 share of non-Federal funds to pay these mone-
13 tary rewards each year of the grant.

14 “(E) Paying, as part of a comprehensive
15 performance-based compensation system, addi-
16 tional bonuses to teachers who both raise stu-
17 dent academic achievement and either teach in
18 high-need schools or teach subjects that are dif-
19 ficult to staff, or both, so long as the grantee
20 uses an increasing share of non-Federal funds
21 to pay these monetary rewards each year of the
22 grant.

23 “(F) Paying, as part of a comprehensive
24 performance-based compensation system, addi-
25 tional bonuses to principals who both raise stu-

1 dent academic achievement and serve in high-
2 need schools, so long as the grantee uses an in-
3 creasing share of non-Federal funds to pay
4 these monetary rewards each year of the grant.

5 “(e) DURATION OF GRANTS.—

6 “(1) IN GENERAL.—The Secretary may make
7 grants under this section for periods of up to 5
8 years.

9 “(2) LIMITATION.—An agency described in sub-
10 paragraph (A) of section 2371(b)(1) may receive
11 (whether individually or as part of a consortium or
12 partnership) a grant under this subpart only once.
13 Such an agency may continue to receive that grant
14 for the period of that grant, but shall not receive
15 (whether individually or as part of a consortium or
16 partnership) any other grant under this subpart.

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

20 “(g) MATCHING REQUIREMENT.—

21 “(1) Each eligible entity that receives a grant
22 under this section shall provide, from non-Federal
23 sources, an amount (which may be provided in cash
24 or in kind) to carry out the activities supported by
25 the grant equal to—

1 “(A) for the first year of the grant, 10 per-
2 cent of the amount received for that year under
3 the grant;

4 “(B) for the second year, 25 percent;

5 “(C) for the third year, 40 percent;

6 “(D) for the fourth year, 55 percent; and

7 “(E) for the fifth year, 70 percent.

8 “(2) The Secretary may waive all or part of the
9 matching requirement described in paragraph (1) for
10 any fiscal year for an eligible entity described in sec-
11 tion 2371(b)(1)(A) if that eligible entity is a high-
12 need local educational agency, a consortium of high-
13 need local educational agencies, or a charter school
14 that is a high-need local educational agency and the
15 Secretary determines that applying the matching re-
16 quirement to such eligible entity would result in seri-
17 ous hardship or an inability to carry out the activi-
18 ties described in subsection (d).

19 “(h) SUPPLEMENT, NOT SUPPLANT.—Grant funds
20 provided under this section shall be used to supplement,
21 not supplant, other Federal or State funds.

22 “(i) RULE OF CONSTRUCTION.—Nothing in this sub-
23 part shall be implemented in such a way so as to require
24 a collective bargaining agreement be in place in order to
25 receive funds or participate under this subpart.

1 **“SEC. 2373. REPORT AND EVALUATION.**

2 “(a) REPORT.—The Secretary shall provide an an-
3 nual report on the implementation of the program to the
4 Congress.

5 “(b) EVALUATION.—

6 “(1) IN GENERAL.—The Secretary shall,
7 through grant or contract, carry out an independent
8 evaluation of the program under this subpart.

9 “(2) CONTENT.—The evaluation shall meas-
10 ure—

11 “(A) the effectiveness of the program in
12 improving student academic achievement;

13 “(B) the satisfaction of the participating
14 teachers or principals; and

15 “(C) the extent to which the program as-
16 sisted the eligible entities in recruiting and re-
17 taining high-quality teachers and principals, es-
18 pecially in hard-to-staff subject areas.

19 **“SEC. 2374. AUTHORIZATION OF APPROPRIATIONS.**

20 “(a) IN GENERAL.—There are authorized to be ap-
21 propriated to carry out this subpart such sums as may
22 be necessary for fiscal year 2010 and each of the suc-
23 ceeding 5 fiscal years.

24 “(b) RESERVATION.—The Secretary may reserve not
25 more than 3 percent of the funds appropriated to carry
26 out this subpart for any one fiscal year for the cost of

- 1 the evaluation under section 2373(b) and for technical as-
- 2 sistance and program outreach.”.

