

**APPLICATION FOR THE
TEACHER INCENTIVE FUND**

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Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless that collection displays a valid OMB control number. The valid OMB control number for this information collection is **1810-???? (expiration date: Month, Day Year)**. The time required to complete this information collection is estimated to average 248 hours per response for the application, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.

If you have any comments about the accuracy of the time estimate or suggestions for improving this form, or comments or concerns about the status of your individual submission of this form, write directly to: April Lee, U.S. Department of Education, OESE/AITQ, 400 Maryland Ave, SW, FB-6, Room 3E120, Washington, DC, 20202-6200. Telephone (202) 205-5224 or by email tif@ed.gov or by website <http://www.ed.gov/programs/teacherincentive/index.html>.

Table of Contents

Competition Background.....	3
Application Information.....	3
Competition Priorities.....	3
Application Requirements.....	3
Evaluation Competition Information.....	3
Evaluation Competition Requirements.....	3
Selection Criteria.....	3
Definitions.....	3
Electronic Application Checklist.....	3
Description of Forms.....	3
Part 1: Preliminary Documents.....	3
Part 2: Budget Information.....	3
ED Budget Information Non-Construction Programs (ED Form 524).....	3
Part 3: Project Abstract Attachment.....	3
Part 4: Project Narrative Attachment.....	3
Part 5: Budget Narrative Attachment.....	3
Part 6: Other Attachment Form.....	3
Part 7: Assurances and Certifications.....	3
Reporting and Accountability.....	3
ARRA Special Conditions.....	3
Application Submission Procedures.....	3
Application Transmittal Instructions.....	3
e-Application Submission Procedures and Tips for Applicants -- http://e-grants.ed.gov	3
Other Submission Tips.....	3
Attaching Files – Additional Tips.....	3
Electronic Application Format.....	3
Legal and Regulatory Information.....	3

Competition Background

Purpose of the Program

The purpose of the TIF program is to support projects that develop and implement PBCSs for teachers, principals, and other personnel in order to increase educator effectiveness and student achievement (as defined in this notice), measured in significant part by student growth (as defined in this notice), in high-need schools (as defined in this notice).

Program Background

Awards under this competition will be made from appropriations under the Consolidated Appropriations Act of 2010 (Public Law 111-117) and the American Recovery and Reinvestment Act of 2009, Division A, Title VIII, Public Law No. 111-5 (the ARRA).

As discussed in greater depth in this application package, all applicants for TIF funds must describe how they will use TIF funds to develop and implement PBCSs that at a minimum—

- (a) Consider gains in student academic achievement as well as classroom evaluations conducted multiple times during each school year among other factors, and
- (b) Provide educators with incentives to take on additional responsibilities.

Grant recipients must demonstrate that their PBCSs are developed with the input of teachers and school leaders in the schools and LEAs the grants will serve. Grant recipients may also use TIF funds to develop or improve systems and tools (which may be developed and used either for the entire LEA or only for schools served under the grant) that would enhance the quality and success of the PBCS, such as high-quality teacher evaluations and tools to measure growth in student achievement.

While only teachers, principals, and other personnel who work in high-need schools as defined for this program may receive performance-based compensation under TIF, grant recipients may also use TIF funds to develop or improve systems and tools for use by either the entire LEA or only schools served by the grant that would enhance the quality and success of the PBCS. These might include both high-quality teacher evaluations, and tools to measure growth in student achievement.

Applicants must demonstrate its PBCS is part of a coherent and integrated strategy for strengthening the educator workforce. Furthermore, while awards under this program competition will be made for a period of up to five years, applications for TIF grants must include a plan for the fiscal sustainability of the activities conducted and systems developed under the grant once the grant period has expired.

To receive TIF program funding, applicants may apply for either of two competitions. Under the **Main TIF competition**, applicants seek TIF funding to design and implement their PBCSs, consistent with requirements established for the program that are discussed in this application package. However, the ARRA requires that the Department conduct a “rigorous national

evaluation by the Institute of Education Sciences utilizing randomized controlled methodology to the extent feasible that assesses the impact of performance-based teacher and principal compensation systems supported by the funds provided in this Act on teacher and principal recruitment and retention in high-need schools and subjects”. Therefore, this application package describes a second competition, the **TIF Evaluation competition**, for which applicants may apply. The TIF Evaluation competition is designed to permit the Department to meet this Congressional directive, and to seek answers to research questions that compare the differentiated effectiveness incentive component of the PBCS to a 1 percent across-the-board annual bonus in the national evaluation schools. The evaluation is of great importance to those who would implement such systems as well as to Congress and to the public at large. Applicants selected to participate in the TIF Evaluation competition will not only receive TIF funding to design and implement their PBCSs, but in exchange for an agreement to cooperate with the evaluation contractor will (1) receive between \$1 - 2 million to use on TIF-related activities, and (2) will not need to conduct a local project evaluation, as required under "Quality of the Local Evaluation" in the selection criteria.

The Department thus will host two separate competitions: the Main TIF competition and the TIF Evaluation competition. Applicants must identify in their project abstract (Part 3 of the application) for which competition they are applying. Given the requirement for the TIF program evaluation, the Department will need to ensure that it has sufficient number of Evaluation grantees before selecting grantees under the Main TIF competition. The Department will not know the amount of funds to be made available for the Main TIF competition until it determines how much is needed to fund grantees under the Evaluation competition, which itself will depend upon on the size and number of applicants under the Evaluation competition, and the quality of those applications. Applicants that are unsuccessful in the TIF Evaluation competition will be automatically eligible for funding under the Main TIF competition.

This application package includes the Priorities the Department has established for the two competitions, the requirements that govern the two competitions as well as special requirements that apply to the Evaluation competition, and the Selection Criteria, which apply to both competitions.

Award Information¹

Estimated Available Funds: \$437,000,000

- \$300,000,000 from FY 2010 appropriations
- \$137,000,000 from FY 2009 ARRA

Estimated Range of Awards: \$5,000,000-\$10,000,00*

Estimated Average Size of Awards: \$7,500,000*

Estimated Number of New Awards Anticipated: 40-80

* Successful applicants for the TIF Evaluation competition can anticipate award amounts at least \$1,000,000 more than for the Main TIF competition.

¹ The Department is not bound by any estimates in this application.

Application Information

Eligible Applicants:

Eligible applicants for the TIF program include State educational agencies (SEAs), local educational agencies (LEAs), including charter schools that are LEAs, and partnerships of an SEA, LEA, or both, and at least one non-profit organization.

Applicants must choose to apply for either the Main TIF competition or the TIF Evaluation competition. Please note the requirement, Selection of Competition, that **each applicant must identify the competition for which it is applying**. Selection of applicants to be funded under the Evaluation competition will precede selection of applicants to be funded under the Main TIF competition. Any eligible Evaluation applicants not funded in the Evaluation competition will become automatically eligible for the Main TIF competition.

Deadlines and Submission:

Notice of Intent to Apply deadline: **[Insert date 10 days after publication in Federal Register]**

Final application deadline: **[45 days after publication in Federal Register]**

Applications must be submitted on or before the deadline date. Please note that the Department's grant application deadlines are 4:30:00 P.M. Washington, D.C. time. Late applications will not be accepted. *We strongly suggest that you submit your application several days before the deadline.* The Department is required to enforce the established deadline to ensure fairness to all applicants. No changes or additions to an application will be accepted after the deadline date and time.

Applications must be submitted electronically using the Department's e-Application system. Please apply for CFDA Number 84.385. See "Application Submission Procedures" for information on how to submit applications electronically.

Application Review:

The Department, through a peer review panel of experts, will evaluate each application against the requirements, selection criteria, and priorities included in this application package. The Department will select applications for funding based on their quality, including their rank order as determined by the total score (which may be standardized, if appropriate).

We expect to notify successful applicants by late September 2010. Unsuccessful applicants will be notified within 60 days of the award start date.

Please note that information submitted in response to the scoring criteria should be specific to the applicant's school district and high-need schools, and should not be identical or substantially similar to other applications. Identical or substantially similar applications are generally not responsive to the scoring criteria, which are designed to support funding for projects that address individual applicants' needs.

Project Period:

The project period for this grant is up to 60 months, including the planning period, if applicable. Budgets should be developed with a project period of up to 60 months. The project period start date should be October 1, 2010.

Technical Assistance Opportunities:

To assist applicants in preparing the application and to respond to questions, the Department will host three bidders' conferences. The purpose of the workshops is for Department staff to review the selection criteria, requirements, and priorities with interested applicants and provide a forum by which applicants' questions can be answered. The Department will also host three conference calls/webinar sessions, one of which will go over the same material presented at the bidders' conferences in case an applicant cannot make one of the on-site dates. Please visit the TIF website for dates, locations, and times of these technical assistance opportunities:

<http://www2.ed.gov/programs/teacherincentive/applicant.html>.

Procurement Practices:

Applicants that intend to use procurement transactions in implementing proposed projects should be familiar with the requirements in the Education Department General Administrative Regulations (EDGAR) that establish minimum standards for procurement activities of State and local governments (34 C.F.R. § 80.36). Applicants that are non-profit organizations should become familiar with comparable procurement requirements of EDGAR applicable to them in 34 C.F.R. § 74.44.)

As a general matter, 34 C.F.R. § 80.36 governs competition in procurement transactions by grantees, including a requirement that all procurement transactions be conducted in a manner "providing full and open competition" consistent with the standards in that regulation. 34 C.F.R. § 80.36(c). Although grantees use "their own procurement procedures which reflect State and local laws and regulations" to the extent those procedures are consistent with the Federal requirements, all TIF grantees must follow the minimum requirements in 34 C.F.R. § 80.36. (See 34 C.F.R. 80.36(b)(1))

The requirements in 34 C.F.R. § 80.36 are designed to protect the competitive procurement process from undue influence, and have been in effect for many years. According to 34 C.F.R. § 80.36(c), all transactions must be conducted in a manner "providing full and open competition" consistent with the standards in the regulation. Several situations are listed in 34 C.F.R. § 80.36(c)(1) that would be considered to be restrictive of competition, although it is important to understand that the list is not exhaustive. Examples include:

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Organizational conflicts of interest; and
4. Specifying only a "brand name" product instead of allowing "an equal" product to be offered.

If a vendor has already assisted the applicant in preparing an application for a grant, and subsequently is interested in providing contract services after the applicant receives the grant award, a close examination of all activities is warranted to ensure that the vendor did not act as

an agent of the grantee, that the vendor does not have an organizational conflict of interest in the procurement, and that the requirements for full and open competition have not been violated.

Please note that the requirements regarding full and open competition could be violated even if a vendor's participation in the application process was limited and the vendor was not acting as an agent of the grantee. For example, a vendor that provides specifications that are then included in a grant application could have a competitive advantage over other vendors. Grantees should carefully examine all interactions with vendors to ensure that these interactions do not violate the requirement concerning full and open competition.

The grantee is responsible for complying with the procurement requirements in 34 C.F.R. § 80.36, which take precedence over State and local procedures in those cases where the minimum requirements in section 80.36 provide greater protection of the procurement process.

Because grantees must use appropriate procurement procedures to select contractors, **an applicant should not include the names of specific contractors or vendors in its grant application.** An applicant may include information about the scope of work to be completed by outside contractors and the contractor qualifications; however, it should not pre-identify a specific contractor or enter into an agreement with any contractor(s) until after the grant has been awarded.

Frequently Asked Questions:

The Department has also prepared frequently asked questions (FAQs) in order to assist applicants in completing an application. Frequently Asked Questions will be available online at: <http://www2.ed.gov/programs/teacherincentive/faq.html>.

Competition Contact Information:

All questions regarding the TIF competition should be directed to April Lee at: TIF@ed.gov, or at (202) 205-5224. Applicants are asked to review the application, the *Federal Register* Notice Inviting Applications, the *Federal Register* Notice of Final Priorities, and the Frequently Asked Questions in their entirety prior to forwarding questions pertaining to the competition.

Technical questions about the TIF Evaluation competition should be directed to Mathematica Policy Research, the contractor conducting the national evaluation for the Institute of Education Sciences of the U.S. Department of Education - <http://www.mathematica-mpr.com/education/tifgrantee.asp>.

Competition Priorities

All Priorities apply to both the Main TIF Competition and the TIF Evaluation Competitions. The TIF application includes two types of priorities: Absolute and Competitive Preference. The Department will consider only applications that meet the absolute priorities. Under the competitive preference priorities, the Department will give competitive preference to an application by awarding additional points.

Priority 1 (Absolute) -- Differentiated Levels of Compensation for Effective Teachers and Principals:

To meet this absolute priority, an applicant must demonstrate, in its application, that it will develop and implement a PBCS that rewards, at differentiated levels, teachers and principals who demonstrate their effectiveness by improving student achievement (as defined in this notice) as part of the coherent and integrated approach of the local educational agency (LEA) to strengthening the educator workforce.

In determining teacher and principal effectiveness as part of the PBCS, the LEA—

- (a) Must give significant weight to student growth (as defined in this notice), based on objective data on student performance;
- (b) Must include observation-based assessments of teacher and principal performance at multiple points in the year, carried out by evaluators trained in using objective evidence-based rubrics for observation, aligned with professional teaching standards; and, if applicable, as part of the LEA's coherent and integrated approach to strengthening the educator workforce; and
- (c) May include other measures, such as evidence of leadership roles (as defined in this notice), that increase the effectiveness of other teachers in the school or LEA.

In determining principal effectiveness as part of a PBCS, the LEA must give significant weight to student growth (as defined in this notice) and may include supplemental measures such as high school graduation and college enrollment rates.

In addition, the applicant must demonstrate that the differentiated effectiveness incentive payments will provide incentive amounts that are substantial and provide justification for the level of incentive amounts chosen. While the Department does not propose a minimum incentive amount, the Department encourages applicants to be thorough in their explanation of why the selected incentive amounts are likely high enough to create change in the behavior of current and prospective teachers and principals in order to ultimately improve student outcomes.

Priority 2 (Absolute) -- Fiscal Sustainability of the Performance-Based Compensation System (PBCS):

To meet this absolute priority, the applicant must provide, in its application, evidence that:

- (a) The applicant has projected costs associated with the development and implementation of the PBCS, during the project period and beyond, and has accepted the responsibility to provide such performance-based compensation to teachers, principals, and other

personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) who earn it under the system; and

(b) The applicant will provide from non-TIF funds over the course of the five-year project period an increasing share of performance-based compensation paid to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) in those project years in which the LEA provides such payments as part of its PBCS.

Priority 3 (Absolute) -- Comprehensive Approaches to the Performance-Based Compensation System (PBCS):

To meet this absolute priority, the applicant must provide, in its application, evidence that the proposed PBCS is aligned with a coherent and integrated strategy for strengthening the educator workforce, including in the use of data and evaluations for professional development and retention and tenure decisions in the LEA or LEAs participating in the project during and after the end of the TIF project period.

Priority 4 (Competitive Preference) -- Use of Value-Added Measures of Student Achievement (*up to 5 points*):

To meet this competitive preference priority, the applicant must demonstrate, in its application, that the proposed PBCS for teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) will use a value-added measure of the impact on student growth (as defined in this notice) as a significant factor in calculating differentiated levels of compensation provided to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools).

Under this priority, the applicant must also demonstrate that it has a plan to ensure that, as part of the PBCS, it has the capacity to (1) implement the proposed value-added model (e.g., through robust data systems that collect the necessary data and ensure data quality), and (2) clearly explain the chosen value-added model to teachers to enable them to use the data generated through the model to improve classroom practices.

Priority 5 (Competitive Preference) -- Increased Recruitment and Retention of Effective Teachers to Serve High-Need Students and in Hard-to-Staff Subjects and Specialty Areas in High-Need Schools (*up to 5 points*):

To meet this competitive preference priority, the applicant must demonstrate in its application that its proposed PBCS is designed to assist high-need schools (as defined in this notice) to (1) serve high-need students (as defined in this notice), (2) retain effective teachers in teaching positions in hard-to-staff subjects and specialty areas, such as mathematics, science, special education, and English language acquisition, and (3) fill vacancies with teachers of those subjects or specialty areas who are effective or likely to be effective. The applicant must provide an explanation for how it will determine that a teacher filling a vacancy is effective or likely to be effective. In addition, applicants must demonstrate, in their applications, the extent to which the subjects or specialty areas they propose to target are hard-to-staff. Lastly, applicants must

demonstrate, in their applications, that they will implement a process for effectively communicating to teachers which of the LEA's schools are high-need and which subjects and specialty areas are considered hard-to-staff.

Priority 6 (Competitive Preference) -- New Applicants to the Teacher Incentive Fund (2 points):

To meet this competitive preference priority, an applicant must be a new applicant to the TIF program. For the purposes of this priority, a new applicant is (1) an eligible entity that has not previously been awarded a grant under the TIF program, or (2) a nonprofit organization that previously received funding through TIF, as part of a partnership with one or more LEAs or SEAs, but that is applying to work with a different group of eligible LEAs or SEAs than it worked with under any previous TIF grant. Under this competitive preference priority, a current nonprofit grantee may not propose to use new TIF funds to compensate for any activities related to the development and implementation of its PBCS in LEAs and high-need schools (as defined in this notice) already served under the current grant. Rather, a nonprofit organization that is a current TIF grantee may only use new TIF funds for the costs of implementing the PBCS in high-need schools (as defined in this notice) that have not previously received TIF funds.

Application Requirements

All Requirements apply to both the Main and Evaluation Competitions. In order to be eligible for the competition, applicants must address each of the items below.

NOTE: Additional background information about these requirements or definitions may be included in the Notice of Final Priorities, Requirements, Definitions, and Selection Criteria or Notice Inviting Applications for this program published in the Federal Register. Those Federal Register notices are included in the Legal and Regulatory Material section of this application package

Selection of Competition:

An applicant may submit an application for either the Main TIF competition or the TIF Evaluation competition. Each applicant must identify in its application the competition for which it is applying. Decisions regarding awards for the TIF Evaluation program will be made prior to doing so for the Main TIF competition, so that applicants not funded in the TIF Evaluation competition will still be eligible for funding under the Main TIF competition.

Note to applicants: In the first line of the project abstract, an applicant should indicate whether it is applying for the Main TIF competition or the TIF Evaluation competition.

Application Requirement:

Each applicant must describe in its application how its proposed PBCS will provide educators with incentives to take on additional responsibilities and leadership roles (as defined in this notice).

Core Elements of a PBCS and a Potential Planning Period:

Each applicant must either--

(a) Demonstrate in its application that it has in place the five core elements that follow;

or

(b) If the applicant cannot demonstrate in its application that it has in place each of the five core elements--

(1) Agree, as part of its application, to implement a planning period of up to one year, during which it will use its TIF funds to develop the core element or elements it lacks; and

(2) Include, in its application, a plan for how it will implement the core element or elements it lacks during the planning period.

Core Elements:

(a) A plan for effectively communicating to teachers, administrators, other school personnel, and the community at-large the components of its PBCS;

(b) The involvement and support of teachers, principals, and other personnel (including input from teachers, principals, and other personnel in the schools and LEAs to be served by the grant) and the involvement and support of unions in participating LEAs (where they are the designated exclusive representatives for the purpose of collective bargaining) that is needed to carry out the grant;

(c) Rigorous, transparent, and fair evaluation systems for teachers and principals that differentiate effectiveness using multiple rating categories that take into account student growth (as defined in this notice) as a significant factor, as well as classroom observations conducted at least twice during the school year. The evaluation process must: (1) use an objective, evidence-based rubric aligned with professional teaching or leadership standards and the LEA's coherent and integrated approach to strengthening the educator workforce; (2) provide for observations of each teacher or principal at least twice during the school year by individuals (who may include peer reviewers) who are provided specialized training; (3) incorporate the collection and evaluation of additional forms of evidence; and (4) ensure a high degree of inter-rater reliability (i.e., agreement among two or more raters who score approximately the same);

(d) A data-management system² that can link student achievement (as defined in this notice) data to teacher and principal payroll and human resources systems; and

(e) A plan for ensuring that teachers and principals understand the specific measures of teacher and principal effectiveness included in the PBCS, and receive professional development that enables them to use data generated by these measures to improve their practice.

Planning Period Requirements:

Each grantee that implements a planning period to develop the core element or elements it lacks, is--

(a) Required to demonstrate in its annual performance report or other interim performance report that it has implemented any of the five core elements it had lacked at the start of the project; and

(b) Prohibited from using TIF program funds to provide incentive payments to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) until it has implemented a PBCS that, to the Secretary's satisfaction, has all five core elements.

Professional Development:

Each applicant must demonstrate, in its application, that its proposed PBCS will include a high-quality professional development component for teachers and principals consistent with the definition of the term professional development in section 9101(34) of the ESEA.

The applicant must demonstrate that its PBCS has a professional development component in place, or a specific plan for developing one, that is directly linked to the specific measures of teacher and principal effectiveness included in the PBCS. The professional development component

² Successful applicants that receive Teacher Incentive Fund program grant awards must ensure that the program's PBCS, including the necessary data systems, complies with the Family Educational Rights and Privacy Act (FERPA), including the regulations in 34 CFR Part 99, as well as any applicable State and local requirements regarding privacy.

(1) Be based on needs assessed either at the high-need schools (as defined in this notice) participating in the applicant's proposed PBCS or LEA-wide;

(2) Be targeted to individual teachers' and principals' needs as identified in the evaluation process;

(3) Provide—

(a) Those teachers and principals in participating TIF schools who do not receive differentiated compensation based on effectiveness under the PBCS with the tools and skills they need to improve their effectiveness in the classroom or school and be able to raise student achievement (as defined in this notice); and

(b) Those teachers and principals who are deemed to be effective and who, therefore, receive differentiated compensation under the PBCS, with the tools and skills they need to (1) continue effective practices in the classroom or school and raise student achievement (as defined in this notice), and (2) successfully assume additional responsibilities and leadership roles (as defined in this notice);

(4) Support teachers and principals to better understand and use the measures of effectiveness in the PBCS to improve practice and student achievement (as defined in this notice); and

(5) Include a process for regularly assessing the effectiveness of this professional development in improving teacher and leadership practice to increase student achievement (as defined in this notice) and making modifications necessary to improve its effectiveness.

High-Need Schools Documentation:

Each applicant must demonstrate, in its application, that the schools to be served by the proposed PBCS are high-need schools (as defined in this notice). Each applicant must provide, in its application, a list of schools in which the proposed PBCS will be implemented as well as the most current data on the percentage of each identified school's students who are eligible for free or reduced-price lunch subsidies under the Richard B. Russell National School Lunch Act, or other poverty measures that the LEA uses (see section 1113(a)(5) of the ESEA (20 U.S.C. 6313(a)(5))). Data provided to demonstrate eligibility as a high-need school (as defined in this notice) must be school-level data; the Department will not accept LEA- or State-level data for purposes of documenting whether a school is a high-need school (as defined in this notice).

Additional Eligibility Requirement:

Each applicant that currently participates in a TIF project must confirm in its application either that—

(a) Its proposed PBCS would be available to educators in high-need schools (as defined in this notice) in which the LEA does not currently make a TIF-supported PBCS available; or

(b) If the applicant's current TIF project serves only principals or only teachers, its proposed project would add teachers or principals, respectively, who work in high-need schools (as defined in this notice) and who are not eligible for performance-based compensation under the applicant's current TIF project's PBCS.

If awarded a grant, the grantee must maintain its PBCS for teachers and principals in high-need schools (as defined in this notice) for the duration of the new TIF project period. An applicant

may also propose to have other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) who work in high-need schools (as defined in this notice) benefit from the PBCS.

Evaluation Competition Information

The Department will select applicants for an award under the Evaluation Competition prior to selecting any applicants for an award under the Main Competition. Applicants for the TIF Evaluation Competition must meet all of the requirements and absolute priorities in the Main TIF competition, as well as additional requirements that are specific to the TIF Evaluation competition.

Description of the Evaluation:

Through the Evaluation, the Institute of Education Sciences (IES) will study PBCSs implemented in one or more LEAs. LEAs participating in the Evaluation, consistent with absolute priority number 1, are required to make substantial and differentiated effectiveness incentive payments to teachers and principals that provide substantial average payouts, are based on a challenging set of criteria for determining eligibility, and that provide an expectation of meaningful differences in resulting pay.

The study will compare the differentiated effectiveness incentive component of the PBCS to a 1 percent across-the-board annual bonus in the national evaluation schools. To accomplish this, all schools participating in the national evaluation will implement all non-differentiated effectiveness incentive components of their PBCS (e.g., bonuses for leadership and additional responsibilities and professional development activities). In addition, one-half of the schools participating in the evaluation, as designated by the evaluation contractor, will implement the applicant's proposed performance component of the PBCS (the Group 1 schools) while the other half of the schools participating in the evaluation will implement a 1% across-the-board annual bonus (the Group 2 schools).

The TIF program will pay for the full cost of the 1% across-the-board bonus to teachers and principals in the Group 2 schools.

Please see the Implementation of Evaluation requirement for more information on the random assignment plan.

Research Questions Addressed by the Evaluation:

- What is the effect on student achievement of a performance based bonus compared to an across-the-board 1% annual bonus? Are there differences in the composition and effectiveness of teachers and principals between these two types of bonuses for teachers and principals? Are there any differential effects on recruitment and retention of teachers and principals?
- What features of PBCSs (e.g., relative emphasis on student achievement or teacher/principal observations incentives based on absolute versus relative standards; relative emphasis on individual versus group incentive criteria; and the extent of staff

eligibility) are associated with improved teacher and principal effectiveness and student achievement?

- What are the implementation challenges associated with PBCSs, and what strategies do grantees use to overcome them?

Grantees funded under the TIF Evaluation competition will be awarded a minimum of an additional \$1 million over the 5-year grant period (above the amount of funding awarded to them to implement the PBCS proposed in its application) to help pay for any additional costs of implementing activities associated with their TIF project. Please refer to the Budget Information requirement for more details.

Further details of the Evaluation Competition are provided in the Notice of Final Priorities.

Evaluation Competition Requirements

Applicants for the Evaluation Competition must meet the requirements and priorities for the Main Competition, as well as the following requirements, which apply only to the TIF Evaluation Competition.

Budget Information:

In exchange for its agreement to participate in the national TIF Evaluation, a successful applicant for the TIF Evaluation competition will receive a minimum of \$1 million of additional funding over the 5-year grant period (above the amount of funding awarded to it to implement the PBCS proposed in its application) for the four pairs of schools selected to participate in the evaluation. For each additional pair of schools participating in the evaluation, a successful applicant will receive an additional \$250,000, up to a maximum total additional award of \$2 million.

An applicant for the TIF Evaluation competition must provide, in its application, a proposed budget that indicates how it plans to use the additional funds the Department would award. While these additional funds must be used for TIF-related activities, examples of acceptable expenses include the costs of:

(1) Academic coaches such as mathematics and reading coaches, and Master, Mentor, or Lead Teacher salaries beyond those the Department will otherwise fund under the Main TIF competition (the Department approves expenses related to one salary, per position, per high-need school (as defined in this notice) within the project scope);

(2) Activities such as expenses related to release time for teachers to attend professional development beyond those the Department will otherwise fund under the Main competition (the Department does not allow for an unreasonable amount of substitute teacher salaries to compensate for this release time);

(3) Support for the PBCS that would otherwise need to be paid with non-TIF funds in order to implement the applicant's plan for fiscal sustainability under absolute priority 2; and

(4) Costs associated with participating in the national evaluation, such as preparing administrative student records for use by the national evaluator.

Incentive Amounts:

Consistent with absolute priority 1, an applicant for the TIF Evaluation competition must demonstrate, in its application, that it will implement a PBCS that uses--

(1) Incentive payments to principals based on differentiated levels of effectiveness in which--

(a) The average principal payout (defined as the total amount of principal payments divided by the total number of principals in the schools participating in the differentiated effectiveness incentive payment component of the PBCS) is substantial (e.g., 5 percent of the average principal salary);

(b) The criteria for determining whether a principal is eligible for payment are challenging (e.g., payments are made to only those who perform significantly better than the current average performance among study schools within the LEA)³; and

(c) There is an expectation of meaningful differences in resulting principal pay (e.g., at least some principals could reasonably expect to receive an incentive payment of three times the average principal payout, and the applicant's documentation of cost projections is consistent with this expectation); and

(2) Incentive payments to teachers based on differentiated levels of effectiveness in which—

(a) The average teacher payout (defined as the total amount of teacher payments divided by the total number of teachers in the schools participating in the differentiated effectiveness incentive payment component of the PBCS) is substantial (e.g., 5 percent of the average teacher salary);

(b) The criteria for determining whether a teacher is eligible for payment are challenging (e.g., payments are made only to those who perform significantly better than the current average performance among study schools within the LEA); and

(c) There is an expectation of meaningful differences in resulting teacher pay (e.g., at least some teachers could reasonably expect to receive an incentive payment of three times the average teacher payout and the applicant's documentation of cost projections is consistent with this expectation).

Implementation of Evaluation:

Each applicant under the TIF Evaluation competition must agree, in its application, to implement its differentiated effectiveness incentive component of the PBCS and a 1 percent across-the-board annual bonus in at least one LEA in accordance with the implementation plan developed by the Institute of Education Sciences (IES) evaluator, Mathematica Policy Research (<http://www.mathematica-mpr.com/education/tifgrantee.asp>). Specifically, the IES evaluator will select by lottery one-half of the evaluation schools within the LEA (i.e., "Group 1") to implement the applicant's proposed differentiated effectiveness incentive payment component of the PBCS. The other half of the schools within the LEA (i.e., "Group 2") participating in the evaluation will implement a 1 percent across-the-board annual bonus for teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools). The applicant must identify, in its application, the schools that are proposed for participation in the evaluation.

In participating LEAs that have the five core elements in place at the time of the initial grant award, the first group of schools in that LEA (Group 1 schools) must begin implementation of all components of the PBCS at the beginning of the 2010-2011 school year. In a participating LEA that does not yet have in place the five core elements necessary to implement a successful PBCS at the time of award, the first group of schools in that LEA (Group 1 schools) must begin implementation of all components of the PBCS no later than the 2011-2012 school year.

³ For the purposes of the TIF Evaluation competition, an "LEA" includes consortia and intermediary units, so long as they are considered an LEA under State law.

The following table illustrates the TIF Evaluation random assignment plan, depending on the amount of planning time an applicant needs:

	Random Assignment^a	Pay component of PBCS^b
LEAs Ready for 2010-11 Implementation	Group 1	Differentiated pay implemented starting in 2010-11
	Group 2	Across-the-board annual 1 percent bonus implemented starting in 2010-11 through 2014-15
LEAs Ready for 2011-12 Implementation	Group 1	Differentiated pay implemented starting in 2011-12
	Group 2	Across-the-board annual 1 percent bonus implemented starting in 2011-12 through 2014-15

^aFor each LEA, the IES evaluator will randomly assign the schools participating in the Evaluation into 2 groups (Groups 1 and 2).

^bThe school year listed is the first year in which the differentiated effectiveness incentive component of the PBCS will be implemented in the LEA's schools participating in the designated group.

Commitment to Evaluation:

An applicant for the TIF Evaluation competition must demonstrate, in its application, that each participating LEA and school is willing to participate in the TIF Evaluation. Documentation demonstrating this commitment must include, for each participating LEA--

(1) A letter from the LEA superintendent and the principals of the participating schools stating that those officials agree to meet the TIF Evaluation competition requirements, including adhering to the implementation plan of the IES evaluator, which involves selection through a lottery of those schools to implement the differentiated effectiveness component among the schools participating in the evaluation.

(2) A letter from the research office or research board of the participating LEA that expresses an agreement to comply with the TIF Evaluation requirements (if the LEA requires such research office approval).

Advance Notice:

Each applicant must agree, in its application, to work with the IES evaluator to notify all eligible schools participating in the TIF Evaluation at least two months prior to the assigned Group 1 implementation schedule. The Department will waive this advance notice for any applicants that are eligible to implement their PBCS in 2010-11 (i.e., meet the five core requirements) so long as the program is implemented according to the evaluator's assigned group status (NOTE: The evaluator will be ready to assign group status immediately upon grant award, or if the applicant prefers, the applicant can discuss with Mathematica prior to grant award how to comply with the evaluation requirements by contacting Mathematica at <http://www.mathematica-mpr.com/education/tifgrantee.asp>).

Implementation of All Non-differentiated Effectiveness Incentive Components:

Each applicant must agree, in its application, to implement the non-differentiated effectiveness incentive components of its PBCS (e.g., bonuses for leadership or additional responsibilities and professional development activities) in all of the LEA's participating schools (those in Groups 1 and 2) starting at the same time as the differentiated effectiveness incentive component of its PBCS is implemented in the Group 1 schools. The schools in Group 2 must not implement the differentiated effectiveness incentive component of its PBCS for the duration of the TIF grant.

Scope of Schools:

An applicant for the TIF Evaluation competition must demonstrate, in its application, that it will implement a PBCS in eight or more high-need schools (as defined in this notice) in an LEA that has students in tested subjects or grades (i.e., students in grades three through eight). At least two of the schools proposed to participate in the TIF Evaluation must be from within the same grade configuration (i.e., if elementary schools are proposed there are at least two elementary schools among the minimum of eight schools all within the same LEA; if middle schools are proposed there are at least two middle schools among the minimum of eight schools all within the same LEA). Applicants that include multiple LEAs must meet the scope-of-schools requirement in at least one LEA. In addition, no LEA will have more than 16 high-need schools (as defined in this notice) selected for the TIF Evaluation.

An applicant that is a consortium of small LEAs or an intermediary unit that is considered an LEA under State law does not have to have eight eligible schools in a participating LEA provided that the consortium or intermediary unit serves a coordinating function (i.e., data are available from a centralized or coordinating entity). In this case, the minimum number of schools required for the consortium or intermediary unit is still eight, and within the eight, each school is at least paired with another school at the same grade level and within the same State. The Department will use the number of eligible schools, up to 16 per LEA, that a successful applicant makes available for the TIF Evaluation.

Local Evaluation:

In order to be eligible to receive points under the selection criteria, TIF Evaluation competition applicants must include a description of its local evaluation, demonstrated in its response to the selection criterion Quality of Local Evaluation. For the purposes of the TIF Evaluation competition, the score for this part of the application will not be used to rank the application. For the purposes of the Main TIF competition, if applicable, the score for this part of the application will be used to rank the application. If an applicant is selected under the TIF Evaluation competition, the local evaluation plan will not be reviewed and will not be applicable for program implementation.

Selection Criteria

The Selection Criteria apply to both the Main TIF and the TIF Evaluation Competition.

Need for the Project (10 points)

In determining the need for the proposed project, the Secretary will consider the extent to which the applicant establishes that--

- (1) The high-need schools (as defined in this notice) whose educators would be part of the PBCS have difficulty--
 - (i) Recruiting highly qualified or effective teachers, particularly in hard-to-staff subjects or specialty areas, such as mathematics, science, English language acquisition, and special education; and
 - (ii) Retaining highly qualified or effective teachers and principals.
- (2) Student achievement (as defined in this notice) in each of the schools whose educators would be part of the PBCS is lower than in what the applicant determines are comparable schools in the LEA, or another LEA in its State, in terms of key factors such as size, grade levels, and poverty levels;
- (3) A definition of what it considers a “comparable” school for the purposes of paragraph (2) of this selection criterion is established.

Project Design (60 points)

The Secretary will consider the quality of the design of the proposed project. In determining the quality of the design of the proposed project, the Secretary will consider the extent to which the proposed PBCS—

- (1) Is part of a proposed LEA or statewide strategy, as appropriate, for improving the process by which each participating LEA rewards teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) in high-need schools (as defined in this notice) based upon their effectiveness as determined in significant part by student growth (as defined in this notice). With regard to the effectiveness of teachers, principals, and other personnel, the Secretary will consider whether--
 - (i) The methodology the LEA or SEA proposes to use in its PBCS to determine the effectiveness of a school’s teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) includes valid and reliable measures of student growth (as defined in this notice);
 - (ii) The participating LEA would use the proposed PBCS to provide performance awards to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) that are of sufficient size to affect the behaviors of teachers, principals, and other personnel and their decisions as to whether to go to, or remain working in, the high-need school; and
 - (iii) The applicant provides a clear explanation of how teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) are determined to be “effective” for the purposes of the proposed PBCS.
- (2) Has the involvement and support of teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools), including input from teachers, and principals, and other personnel in the schools and LEAs to be

served by the grant, and the involvement and support of unions in participating LEAs where they are the designated exclusive representatives for the purpose of collective bargaining that is needed to carry out the grant;

(3) Includes rigorous, transparent, and fair evaluation systems for teachers and principals that differentiate levels of effectiveness using multiple rating categories that take into account data on student growth (as defined in this notice) as a significant factor, as well as classroom observations conducted at least twice during the school year;

(4) Includes a data-management system, consistent with the LEA's proposed PBCS, that can link student achievement (as defined in this notice) data to teacher and principal payroll and human resources systems; and

(5) Incorporates high-quality professional development activities that increase the capacity of teachers and principals to raise student achievement (as defined in this notice) and are directly linked to the specific measures of teacher and principal effectiveness included in the PBCS.

Adequacy of Support for the Proposed Project (25 points)

In determining the adequacy of the support for the proposed project, the Secretary considers the extent to which—

(1) The management plan is likely to achieve the objectives of the proposed project on time and within budget, and includes clearly defined responsibilities and detailed timelines and milestones for accomplishing project tasks;

(2) The project director and other key personnel are qualified to carry out their responsibilities, and their time commitments are appropriate and adequate to implement the project effectively;

(3) The applicant will support the proposed project with funds provided under other Federal or State programs and local financial or in-kind resources; and

(4) The requested grant amount and project costs are sufficient to attain project goals and reasonable in relation to the objectives and design of the project.

Quality of Local Evaluation (5 points)

In determining the quality of the local project evaluation, the Secretary considers the extent to which the applicant's evaluation plan—

(1) Includes the use of strong and measurable performance objectives (that are clearly related to the goals of the project) for raising student achievement (as defined in this notice), increasing the effectiveness of teachers, principals and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools), and retaining and recruiting effective teachers, principals, and other personnel;

(2) Will produce evaluation data that are quantitative and qualitative; and

(3) Includes adequate evaluation procedures for ensuring feedback and continuous improvement in the operation of the proposed project.

Definitions

High-need school means a school with 50 percent or more of its enrollment from low-income families, based on eligibility for free or reduced-price lunch subsidies under the Richard B. Russell National School Lunch Act, or other poverty measures that LEAs use (see section 1113(a)(5) of the ESEA (20 U.S.C. 6313(a)(5))). For middle and high schools, eligibility may be calculated on the basis of comparable data from feeder schools. Eligibility as a high-need school under this definition is determined on the basis of the most currently available data.

Student achievement means--

(a) For tested grades and subjects--

(1) A student's score on the State's assessments under the ESEA; and

(2) As appropriate, other measures of student learning, such as those described in paragraph (b) of this definition, provided that they are rigorous and comparable across schools; and

(b) For non-tested grades and subjects, alternative measures of student learning and performance, such as student scores on pre-tests and end-of-course tests; student performance on English language proficiency assessments; and other measures of student achievement that are rigorous and comparable across schools.

Student growth means the change in student achievement (as defined in this notice) for an individual student between two or more points in time. A State or LEA may also include other measures that are rigorous and comparable across schools.

High-need students means students at risk of educational failure or otherwise in need of special assistance and support, such as students who are living in poverty, who attend high-minority schools, who are far below grade level, who have left school before receiving a regular high-school diploma, who are at risk of not graduating with a diploma on time, who are homeless, who are in foster care, who have been incarcerated, who have disabilities, or who are English learners.

Additional responsibilities and leadership roles means additional duties teachers may voluntarily accept, such as: (1) serving as master or mentor teachers who are chosen through a performance-based selection process (including through assessment of their teaching effectiveness and the ability to work effectively with other adults and students) and who have responsibilities to share effective instructional practices and/or to assess and improve the teaching effectiveness of other teachers in the school; (2) roles in induction and mentoring of novice teachers or high-need students (as defined in this notice); (3) tutoring students; or (4) roles in establishing and developing learning communities designed to continually improve the capacity of all teachers in a school to advance student learning, using a shared set of practices, instructional principles, or teaching strategies.

Electronic Application Checklist

Review your electronic application to ensure you have completed the following forms and attachments. Details of each section are provided in the *Description of Forms* section.

Part 1: Preliminary Documents

- Application for Federal Assistance (form SF 424)
- ED Supplemental Information for SF 424

Part 2: Budget Information

- ED Budget Information Non-Construction Programs (ED Form 524)

Part 3: Project Abstract Attachment

- Project Abstract

Part 4: Project Narrative Attachment

- Application Narrative including a Table of Contents

Part 5: Budget Narrative Attachment

- Budget Narrative

Part 6: Other Attachments Forms

- Resumes for Project Directors & Key Personnel
- Commitment letters or surveys demonstrating Union, teacher & principal support
- High-Need Schools Documentation, per the requirement listed in this application
- Indirect Cost Rate Agreement or Letter (if applicable)

Part 7: Assurances and Certifications

- Assurances – Non-Construction Programs (SF 424B Form)
- Disclosure of Lobbying Activities (Standard Form LLL) (if applicable)
- Certification Regarding Lobbying (ED 80-0013 Form)
- General Education Provisions Act (GEPA) Requirements – Section 427 (ED GEPA 427 Form)

Part 8: Intergovernmental Review (Executive Order 12372)

- State Single Point of Contact (SPOC)

Description of Forms

Part 1: Preliminary Documents

Application for Federal Assistance (Form SF 424)ED Supplemental Information for SF 424

These forms require basic identifying information about the applicant and the application. Please provide all requested applicant information (including name, address, e-mail address and DUNS number).

Note: Please do not attach any narratives, supporting files, or application components to the Standard Form (SF 424). Although this form accepts attachments, the Department of Education will only review materials/files attached in accordance with the instructions provided within this application.

Part 2: Budget Information

ED Budget Information Non-Construction Programs (ED Form 524)

This section contains information about the Federal funding you are requesting. Remember that you must provide all requested budget information for each year of the project and the total column in order to be considered for Federal funding.

Instructions for completing ED Form 524 Section A: (Please also see the Suggested Guidelines for the Budget Narrative section p. X)

Note about how to document the differentiated compensation in your budget 524 Section A form: There are two options, for how an applicant treats additional compensation provided to teachers, principals, and other personnel. If a fringe benefits rate will be applied to the added compensation or incentives for teachers, principals, and other personnel, an applicant should include the differentiated compensation in the “personnel” line item, and the costs generated by applying the fringe benefit rate included in the “fringe benefits” line item.

If you do not plan to apply a fringe rate to the added compensation or incentives you would provide to teachers, principals, and other personnel (in those sites that wish to expand its PBCS to additional staff in its schools) you should include the differentiated compensation in the “other” line item.

Differentiated compensation should not be listed in the “training stipends” line item. An applicant must clearly explain in the budget narrative why it has chosen to list differentiated compensation in the “personnel” and “fringe benefits” line items, or the “other” line item. See section below for more information.

Name of Institution/Organization: Enter the name of the eligible applicant in the space provided.

Personnel (line 1):

- Enter project personnel salaries and wages only.
- Only project staff members that are employees of the applicant should be included in this

category. Staff members who are working on the project but are being paid with an in-kind contribution should be included in this category under Section B. Include fees and expenses for consultants on line 6.

Fringe Benefits (line 2):

- The institution's normal fringe benefits contribution may be charged to the program.
- Leave this line blank if fringe benefits applicable to direct salaries and wages are treated as part of the indirect cost.

Travel (line 3):

- Indicate the travel costs of employees and participants only.
- Include travel of persons such as consultants on line 6.
- Travel costs include expenses for transportation, lodging, subsistence and related items incurred by employees who are in travel status on official business of the organization.
- All travel must be justified and clearly linked to the goals and objectives of your project.

Equipment (line 4):

- Indicate the cost of tangible, non-expendable personal property that has a useful life greater than one year and an acquisition cost that is the lesser of the capitalization level established by the applicant entity for financial statement purposes or \$5,000 per article.
- Lower limits may be established to maintain consistency with the applicant's policy.

Supplies (line 5):

- Indicate the costs of all tangible, expendable personal property. Direct supplies and materials differ from equipment in that they are consumable, expendable, and of a relatively low unit cost.
- Supplies purchased with grant funds should directly benefit the grant project and be necessary for achieving the goals of the project.

Contractual (line 6):

- Indicate all costs specifically incurred with actions that the applicant takes in conjunction with an established internal procurement system.
- Include consultant fees, expenses, and travel costs in this category if the consultant's services are obtained through a written binding agreement or contract.

Construction (line 7): New construction is not allowed under this competition. *No costs should be listed under this category.*

Other (line 8):

- Indicate all direct costs not covered on lines 1-6.
- For example, include costs such as space rental, required fees, honoraria and travel (where a contract is not in place for services), training, and communication and printing costs. Release time for teachers to attend training or substitute teacher compensation should be put in this category, not "Personnel"
- If you are applying for grant funds under the TIF Evaluation Competition, include your \$1-2 million incentive for participating in the evaluation under this "other" line item.
- *Do not include costs that are included in the indirect cost rate.*

Total Direct Costs (line 9): The sum of lines 1-8.

Indirect Costs (line 10):

- Indicate the applicant's approved indirect cost rate, per sections 75.560 – 75.564 of EDGAR.
- If an applicant does not have an approved indirect cost rate agreement with a cognizant Federal agency, the applicant must apply to the Department for a temporary indirect cost rate if it wishes to charge indirect costs to the grant. For more information, go to the Department's website at: <http://www.ed.gov/about/offices/list/ocfo/fipao/icgindex.html>.
- If the applicant does not have an indirect cost rate, it must apply for funding based on a rate of 8% to receive any funding for indirect costs. Once the grantee receives an approved rate, it will then shift funds around in its budget to reflect the expenditure of the actual rate approved.

Important Information Regarding Indirect Cost Rates

The Department of Education (ED) reimburses a grantee for part of its indirect costs incurred in projects funded by the Teacher Incentive Fund program (CFDA 84.385) These kinds of costs generally are recovered through an indirect cost rate (ICR) that the grantee negotiates with its *cognizant agency*, i.e., either the Federal agency from which it has received the most direct funding, subject to indirect cost support, the particular agency specifically assigned cognizance by the Office of Management and Budget or the State agency that provides the most subgrant funds to the grantee.

Note: Applicants should pay special attention to specific questions on the application budget form (ED 524) about their cognizant agency and the ICR they are using in their budget. Applicants for discretionary grants that are not a state or a local government and that do not have a negotiated restricted rate may use the eight percent rate described at EDGAR § 76.564(c)(2). The eight percent rate must be multiplied by the modified total direct cost base described in EDGAR § 76.569.

If an applicant selected for funding under this competition has not already established a current indirect cost rate with its cognizant agency as a result of current or previous funding, ED requires the grantee to propose a restricted rate to its cognizant agency within **90 days** after the beginning date of the grant award. Applicants should be aware that ED is very often not the cognizant agency for its own grantees.

Also, an applicant that has not previously established a restricted indirect cost rate with its cognizant agency and that is selected for funding will not be allowed to charge its grant for indirect costs until it has negotiated a current indirect cost rate agreement with its cognizant agency.

Applicants with questions about charging indirect costs on this competition should contact the competition contact person noted elsewhere in this application package.

Training Stipends (line 11):

- Not applicable for the Teacher Incentive Fund program.

Total Cost (line 12):

- This should equal to sum of lines 9-11 (total direct costs + indirect + stipends).
- The sum for column one, labeled *Project Year 1* (a), should also be equal to item 15a on the application cover sheet (SF Form 424).

Part 3: Project Abstract Attachment

Project Abstract

The Project Abstract should be attached in accordance with the instructions found on <http://e-grants.ed.gov> and should be organized in the following manner and include the following parts in order to expedite the review process.

The project abstract should not exceed **one** page. **Please identify whether the application is for the Main competition or Evaluation competition at the beginning of the abstract.**

Part 4: Project Narrative Attachment

- Table of Contents
- Application Narrative

The Project Narrative should be attached in accordance with the instructions found on <http://e-grants.ed.gov> and should be organized in the following manner and include the following parts in order to expedite the review process.

The Department recommends a page limit of 60 pages using the following standards:

- A “page” is 8.5" x 11", on one side only, with 1" margins at the top, bottom, and both sides.
- Double space (no more than three lines per vertical inch) all text in the application narrative, including titles, headings, and quotations.
- Use a font that is either 12 point or larger or no smaller than 10 pitch (characters per inch).
- Use one of the following fonts: Times New Roman, Courier, Courier New, or Arial. An application submitted in any other font (including Times Roman or Arial Narrow) will not be accepted.

The page recommendation does not apply to the cover sheet; the budget section, including the narrative budget justification; the assurances and certifications; the one-page abstract; or the appendices. However, the recommended page limit does apply to all of the application narrative section.

Part 5: Budget Narrative Attachment

The Budget Narrative should be attached in accordance with the instructions found on <http://e-grants.ed.gov>.

Each applicant must provide a Budget Narrative (which serves to meet the requirements of ED Form 524, Section C) for requested Federal funds. The Budget Narrative should provide a description of how the money requested for each budget item will be spent.

This section requires an **itemized budget breakdown** for each project year and the **basis for estimating the costs** of personnel salaries, benefits, project staff travel, materials and supplies, consultants and subcontracts, indirect costs and any other projected expenditures. Be sure to complete an itemized budget breakdown and narrative for each year of the proposed project (up to 60 months).

The Budget Narrative provides an opportunity for the applicant to identify the nature and amount of the proposed expenditures. The applicant should provide sufficient detail to enable reviewers and project staff to understand how requested funds will be used, how much will be expended, and the relationship between the requested funds and project activities and outcomes.

Important Notes

- Applicants are encouraged to review OMB Circular A-21, *Cost Principles for Educational Institutions* [OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or OMB Circular A-122, *Cost Principles for Nonprofit Organizations*] in preparing their budget and budget narrative.
- OMB Circular A-21 may be found at the following link:
http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html
- OMB Circular A-87 may be found at the following link:
http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html
- OMB Circular A-122 may be found at the following link:
http://www.whitehouse.gov/omb/circulars/a122/a122_2004.html

Suggested Guidelines for the Budget Narrative

In accordance with 34 CFR 75.232, Department staff perform an analysis of the projects recommended for funding to ensure that: costs relate to the activities and objectives of the project; and are reasonable (costs that would be incurred by a “prudent person”), allowable (either permitted or not specifically prohibited), and allocable (can be directly allocated to your project). Any costs not fully described or justified may be deleted from your funding request during the budget review.

Note about how to document the differentiated compensation in your budget narrative: As noted in the Budget Narrative (Part 2) section there are two options for how an applicant treats the compensation provided to teachers, principals, and other personnel. If a fringe benefits rate will be applied to the added compensation or incentives for teachers, principals, and other personnel, an applicant should include the differentiated compensation in the “personnel” line item, and the costs generated by applying the fringe benefit rate included in the “fringe benefits” line item.

If you do not plan to apply a fringe rate to the added compensation or incentives you would provide to teachers, principals, and other personnel (in those sites that wish to expand its PBCS to additional staff in its schools) you should include the differentiated compensation in the “other” line item.

Differentiated compensation should not be listed in the “training stipends” line item. An applicant must clearly explain in the budget narrative why it has chosen to list differentiated compensation in the “personnel” and “fringe benefits” line items, or the “other” line item. See section below for more information.

To facilitate the review of your Budget Narrative, we encourage each applicant to include the following information for each year of the project:

*How to document expenses related to incentives or other services provided to **other personnel** (in those sites that wish to expand its PBCS to additional staff in its schools):*

Both the ARRA and FY 2010 legislation have similar purposes yet different language that governs the allowable uses of funds identified under each. **Because of this, it is important that you document all expenses related to incentives or other services provided to other personnel separately than all other expenses related to the proposed PBCS.** There are some examples provided below but keep in mind, the ultimate goal is for the Department to be able to determine the total amount of costs associated with providing incentives or other services to other personnel separate from all other costs associated with the development and implementation of its proposed PBCS, including incentives to teachers and principals.

<i>Personnel or Other: Differentiated Compensation & Incentives</i>	# staff	Amount of Award	Total
Other Personnel: Awards based on school-wide student growth in mathematics, based on the incentive model described on page 12 of the project proposal.	200	\$XXX	\$XXXX
Other Personnel: Awards provided to other personnel who have taken on the additional responsibility of tutoring students after school in mathematics.	50	\$XXX	\$XXXX

If applicable, some of your “other personnel” may be eligible to receive staff development. In that case, it is important to separate out the expenses related to providing staff development to those other personnel as well. Below is an example of how this could be documented:

<i>Contractual:</i>	# days	Contract cost per day	Total
Other Personnel: Contract to provide instruction on value-added measurement and how these calculations are related to the incentive structure and payments that will be awarded to the other personnel in the school.	2	\$XXX	\$XXX

If for any reason, your other personnel will receive other payments or services under the TIF grant, please document it separately from your other proposed PBCS-related expenses as identified above.

How to document expenses related to a proposed planning year, in those cases where an applicant has not completed all five core elements required: For those applicants that have not completed all five core elements required before first year of implementation, an applicant must propose a planning period of up to one year. This planning period may be one to twelve months, depending on the amount of time an applicant believes it needs to complete the core element(s) it lacks. For the purposes of documenting the expenses related to the planning period, it is important to provide specific information as to the amount of time needed for the planning period and for those related expenses to complete the core element(s).

The documentation examples shown above and below provide the proper guidance you need to know about how much information to provide in your budget narrative. The most important information to include is the amount of time needed, per expense, and tied to which core element(s) of which you are working.

How to document all other expenses related to the development, implementation and ongoing payment of incentives to teachers and principals of the proposed PBCS. This should be documented for each year of the grant and separately from those expenses related to other personnel.

1. Personnel

- Provide the title and duties of each position to be compensated under this project.
- Provide the salary for each position under this project.
- Provide the amounts of time, such as hours or percentage of time to be expended by each position under this project.
- Explain the importance of each position to the success of the project.
- Provide the basis for cost estimates or computations.
- If applicable, provide a detailed explanation of the differentiated compensation to be paid to teachers, principals, and other personnel (in those sites that wish to expand its PBCS to additional staff in its schools). The incentive amounts must be clearly broken out by teachers, principals, and other personnel.
- An example includes:

<i>Personnel:</i> The following requested personnel will all be hired as employees of the project.	% FTE	Base Salary	Total
Project Director (1): John Doe will be responsible for the overall leadership and management of the Performance-Based Teacher and Principal Compensation Program. His qualifications are described in detail in the project on page 24 of the application.	80%	\$65,000	\$52,000

2. Fringe Benefits

- Give the fringe benefit percentages of all personnel included under Personnel.
- Provide the rate and base on which fringe benefits are calculated.

3. Travel

- Explain the purpose of the travel, how it relates to project success, how it aligns with the project goals and objectives and which program participants or staff will participate.
- Submit an estimate for the number of trips, points of origin and destination, and purpose of travel.
- Submit an itemized estimate of transportation and/or subsistence costs for each trip.
- Provide the basis for cost estimates or computations.
- Applicants must budget for attendance at two required annual meetings. There are no registration fees for these meetings. For planning purposes, applicants should include funds for transportation, lodging, and per diem costs for the following meetings:

Required Meeting: *Teacher Incentive Fund Grantee Meeting*

This 1.5 day meeting will provide participants with key information needed to manage and implement a discretionary grant awarded by ED and technical assistance from experts. Grantee meetings will be held annually.

Required Participants: Please budget for up to three participants including the project director.

Expenses for this meeting include:

- Round-trip airfare for three participants to a major U.S. city
- Lodging expenses for three participants for up to four nights in a major U.S. city
- Per diem expenses for three participants for up to five days in a major U.S. city
- Funds for local ground transportation

Required Meeting: *Teacher Incentive Fund Topical Meeting*

This 1.5 day meeting will provide participants with in depth information on a topic related to implementing PBCSs. Topical meetings will be held annually.

Required Participants: Please budget for up to two participants including the project director.

Expenses for this meeting include:

- Round-trip airfare for two participants to a major U.S. city
- Lodging expenses for two participants for up to four nights in a major U.S. city
- Per diem expenses for two participants for up to five days in a major U.S. city
- Funds for local ground transportation

- One example includes:

<i>Travel:</i> Travel expenses include the average airfare of \$400 each, in addition to a hotel room at \$150/night for two nights, local transportation of \$50, and per diem of \$40	# Trips	\$ per Trip	Total
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TIF Annual Grantee Meeting: This meeting, which is hosted in Washington, DC will provide technical assistance for our grant site and provide collaboration among all TIF grantees. The total trip will last 1.5 full days. A more detailed justification for this trip is explained in the project proposal on page 14.	3 (1 Project Dir. & 2 other key personnel)	\$790	\$2,370
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4. Equipment

- Indicate the estimated unit cost for each item to be purchased.
- Identify each type of equipment.
- Provide adequate justification of the need for items of equipment to be purchased.
- Explain the purpose of the equipment, and how it relates to project success.
- Provide the basis for cost estimates or computations.
- One example includes:

<i>Equipment:</i> Consistent with our organization’s policy, equipment is defined as tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.	Cost of Item	Item Description	Total
Desktop Computers (3): Three desktop computers will be needed to expand our current office and supply the needs of 3 new employees.	\$1,500	Desktop computer including monitor & printer	\$4,500

5. Supplies

- Provide an itemized estimate of materials and supplies by nature of expense or general category (e.g., office supplies).
- Explain the purpose of the supplies and how they relate to project success.
- Provide the basis for cost estimates or computations.

6. Contractual

- Provide the purpose and relation to project success.
- Describe the products to be acquired, and/or the professional services to be rendered
- Provide the cost per contractor.
- Provide the amount of time that the project will be working with the contractor(s).
- For professional services contracts, provide the amounts of time to be devoted to the project, including the costs to be charged to this proposed grant award.
- Provide the basis for cost estimates or computations.

<i>Contractual:</i>	Timing of Costs	Total
ABC District plans to contract with an external evaluator to conduct the local		

evaluation, using both qualitative and quantitative data analysis. ABC expects to receive bi-annual evaluation reports and surveys from the new contractor. Please see page 37 of the project proposal for more information on the evaluation design.	Bi-Annual	\$XXXX
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7. Construction

- Not applicable.

8. Other

- List and identify items by major type or category (e.g., communications, printing, postage, equipment rental, etc.).
- Provide the cost per item (printing = \$500, postage = \$750).
- Provide the purpose for the expenditures and relation to project success.
- Provide the basis for cost estimates or computations.

How to document the expenses related to the \$1-2 million incentive requested if an applicant chooses to participate in the TIF Evaluation Competition: All activities to be funded with TIF grant funds using the \$1-2 million incentive for participating in the TIF Evaluation Competition, should be documented with the same amount of detail and justification as all other expenses. However, it is important that the incentive funds be documented separately under the “Other” budget category. An example of the amount of itemized detail an applicant would need to provide is included below:

<i>Other:</i>	# of salaries	Amount of salary	Total
EVAL INCENTIVE - Lead Teacher salaries: Lead Teachers provide mentoring and curriculum modeling to all teachers within the proposed high-need schools. Please see page 33 for more information about these leadership role provided to teachers with exceptional skills and experience.	10	\$XXXXXX	\$XXXXXX
EVAL INCENTIVE - Substitute teachers needed during release time for teachers to take on additional professional development during the school day. Please see page 12 for more information about our professional development plan.	30	\$XX/hr.	\$XXXX

9. Total Direct Costs

- The amount that is the sum of expenditures, per budget category, of lines 1-8.

10. Indirect Costs

- Identify indirect cost rate (if the applicant will charge indirect costs to the grant).

- *Note:* Remember to provide a copy of the most recent approved indirect cost agreement in the Other Attachments form section of the application.
- If the applicant does not have an indirect cost rate, it must apply for funding based on a rate of 8% to receive any funding for indirect costs. Once the grantee receives an approved rate, it will then shift funds around in its budget to reflect the expenditure of the actual rate approved.

11. Training Stipends

- Not applicable for the Teacher Incentive Fund program.

12. Total Costs

- Sum total of direct costs, indirect costs, and stipends.
- Please provide total costs for each year of the project as well as grand total cost for the entire project period (up to 60 months).

Part 6: Other Attachment Form

- Indirect Cost Rate Agreement or Letter** (If applicable)
- Individual Resumes for Project Directors and Key Personnel:** Provide brief resumes or job descriptions that describe their qualifications for the responsibilities they will carry out under the project.
- Commitment letters or surveys** demonstrating Union, teacher & principal support
- High-Need Schools Documentation:** Provide a list of all high-need schools to be served in the proposed project, including the free or reduced-price lunch rate for each.

Attach documents to the Other Attachments Forms in accordance with the instructions for this competition. You may only attach a single document to each form.

Section A.

Part 7: Assurances and Certifications

Be certain to complete all required assurances and certifications in <http://e-grants.ed.gov>, and include all required information in the appropriate place on each form. The assurances and certifications required for this application are:

- Assurances – Non-Construction Programs (SF 424B Form)
The purpose of this form is to certify that the applying organization and its authorized representative are aware of the legal requirements of the grant and are willing to comply with them.

- Disclosure of Lobbying Activities (SF LLL Form) (if applicable)
The purpose of this form is to disclose any lobbying activities that use any non-Federal funds to influence Congress in the grant-making progress. If this does not apply to you do not need to include this form in your submission.

- Certification Regarding Lobbying (ED 80-0013 Form)
The purpose of this form is to certify that the applying organization has not and will not lobby Congress in connection with the grant, and that if any non-Federal funds have been used to lobby, this information will be disclosed on Standard Form LLL.

- General Education Provisions Act (GEPA) Requirements – Section 427
This purpose GEPA is to require the applicant, as a condition of receiving a grant, to identify barriers to equitable participation in its federally assisted program and to provide a description of the steps it will take to overcome the barriers. Barriers might include gender, race, national origin, disability, age, language background, or other unique factors in the setting in which the program will be carried out. A general statement of the applicant’s nondiscrimination policy is not sufficient to meet this requirement.

Part 8: Intergovernmental Review of Federal Programs (Executive Order 12372)

This competition falls under the rubric of Executive Order 12372 (Intergovernmental Review of Federal Programs) and the regulations in 34 CFR Part 79. One of the objectives of the Executive order is to strengthen federalism--or the distribution of responsibility between localities, States, and the Federal government--by fostering intergovernmental partnerships. This idea includes supporting processes that State or local governments have devised for coordinating and reviewing proposed Federal financial grant applications.

The process for doing this requires grant applicants to contact State Single Points of Contact for information on how this works. Multi-state applicants should follow procedures specific to each state. Further information about the State Single Point of Contact (SPOC) process and a list of names by State can be found at: <http://www.whitehouse.gov/omb/grants/spoc.pdf>

Absent specific State review programs, applicants may submit comments directly to the Department. All recommendations and comments must be mailed or hand-delivered by the date indicated in the actual application notice to the following address: The Secretary, EO 12372--CFDA# [84.385], U.S. Department of Education, room 7E200. 400 Maryland Avenue, SW., Washington, DC 20202. Proof of mailing will be determined on the same basis as applications (see 34 CFR §75.102). Recommendations or comments may be hand-delivered until 4:30 p.m. (eastern time) on the closing date indicated in this notice.

Important note: The above address is not the same address as the one to which the applicant submits its completed applications. **Do not send applications to the above address.**

Not all states have chosen to participate in the intergovernmental review process, and therefore do not have a SPOC. If you are located in a State that does not have a SPOC, you may send application materials directly to the Department as described in the *Federal Register* notice.

Reporting and Accountability

Reporting and Accountability

Pursuant to the Government Performance and Results Act (GPRA), the Department has established the following performance measures that it will use to evaluate the overall effectiveness of the grantee's project, as well as the TIF program as a whole:

(1) Changes in LEA personnel deployment practices, as measured by changes over time in the percentage of teachers and principals in high-need schools who have a record of effectiveness; and

(2) Changes in teacher and principal compensation systems in participating LEAs, as measured by the percentage of a district's personnel budget that is used for performance-related payments to effective (as measured by student achievement gains) teachers and principals.

All grantees will be expected to submit an annual performance report documenting their success in addressing these performance measures. The Department will use the applicant's performance data for program management and administration, in such areas as determining new and continuation funding and planning technical assistance.

TIF projects must also:

- 1. Report annually** — Submit to the Department of Education annual performance reports that describe, at a minimum:
 - Progress in meeting program goals and objectives
 - Performance Measure information
- 2. Cooperate with any evaluation** — Participate fully in any evaluation of the TIF program carried out by the Department of Education.

ARRA Special Conditions

SPECIAL CONDITIONS GOVERNING AWARD OF FUNDS APPROPRIATED UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

All applicants receiving any funds under the American Recovery and Reinvestment Act of 2009 must meet the following special conditions:

A. Award Term—Reporting and Registration Requirement under Section 1512 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5

- (a) This award requires the recipient to complete projects or activities which are funded under the American Recovery and Reinvestment Act of 2009 (“Recovery Act or ARRA”) and to report on use of Recovery Act funds provided through this award. Information from these reports will be made available to the public.
- (b) The first report is due no later than ten calendar days after the initial calendar quarter in which the recipient receives the assistance award funded in whole or in part by the Recovery Act. Thereafter, reports shall be submitted no later than the 10th day after the end of each calendar quarter.
- (c) Recipients and their first-tier subrecipients (but not vendors for goods and services as distinguished in §__.210 of the attachment to OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations) must maintain current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which they have active federal awards funded with Recovery Act funds.
- (d) The recipient shall report the information described in section 1512(c) using the reporting instructions and data elements that will be provided online at www.FederalReporting.gov, and will provide any additional information required by the Department, unless the information is pre-populated in www.FederalReporting.gov and in any additional form required by the Department. At a minimum, grantees should anticipate reporting:
 - the total amounts of ARRA funds received and expended or obligated;
 - the name, description, and evaluation of the project or activity’s completion status; and
 - an estimate of the number of jobs that were saved or created with the funds.

B. Award Term—Recovery Act Transactions listed in Schedule of Expenditures of Federal Awards and Recipient Responsibilities for Informing Subrecipients

- (a) To maximize the transparency and accountability of funds authorized under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) (Recovery Act) as required by Congress and in accordance with 2 CFR 215, subpart __. 21 “Uniform Administrative Requirements for Grants and Agreements” and OMB A-102 Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds.

- (b) For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. This shall be accomplished by identifying expenditures for Federal awards made under the Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix “ARRA-” in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF-SAC.
- (c) Recipients agree to separately identify to each subrecipient, and document at the time of sub-award and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to subrecipients shall distinguish the subawards of incremental Recovery Act funds from regular subawards under the existing program.
- (d) Recipients agree to require their subrecipients to include on their SEFA information to specifically identify Recovery Act funding similar to the requirements for the recipient SEFA described above. This information is needed to allow the recipient to properly monitor subrecipient expenditure of ARRA funds as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office

C. Award Term—Reporting of Fraud and Misconduct

Each recipient and subrecipient awarded funds made available under the Recovery Act must promptly refer to the Department of Education’s Office of Inspector General any credible evidence that a principal officer, employee, agent, contractor, subrecipient, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds. Information about the Office of Inspector General Hotline is available at: <http://www.ed.gov/about/offices/list/oig/hotline.html>

Application Submission Procedures

The deadline for submission of Teacher Incentive Fund applications through e-Grants is [insert date 45 days from publication date in Federal Register].

Application Transmittal Instructions

Attention Electronic Applicants

For both the Main TIF Competition and The TIF Evaluation Competition, **applications MUST BE SUBMITTED electronically**. Submission of applications--specific requirements and instructions can be found in the *Federal Register* notice. Please note that you **must** follow the Application Procedures as described in the *Federal Register* notice announcing the grant competition.

We will reject your application if you submit it in paper format unless, as described in the Federal Register notice for this competition, you qualify for one of the exceptions to the electronic submission requirement and submit, no later than two weeks before the application deadline date, a written statement to the Department that you qualify for one of these exceptions.

Applications Submitted Electronically

Applications for grants under this competition must be submitted electronically using the Electronic Grant Application System (e-Application) accessible through the Department's e-Grants site at <http://e-grants.ed.gov>.

While completing your electronic application, you will be entering data online that will be saved into a database. You may **not** e-mail an electronic copy of a grant application to us.

You should review and follow the ***e-Application Submission Procedures and Tips for Applicants*** in this application package to ensure that you submit your application in a timely manner to the e-Application system.

Please note the following:

- You must complete the electronic submission of your grant application by 4:30:00 p.m., Washington, DC time, on the application deadline date. The e-Application system will not accept an application for this competition after 4:30:00 p.m., Washington, DC time, on the application deadline date. Therefore, we strongly recommend that you do not wait until the application deadline date to begin the application process.
- If you are experiencing problems submitting your application through e-Application, please contact the e-Grants help desk, toll free, at 1-888-336-8930.
- The hours of operation of the e-Grants Web site are 6:00 a.m. Monday until 7:00 p.m. Wednesday; and 6:00 a.m. Thursday until 8:00 p.m. Sunday, Washington, DC time. Please note that, because of maintenance, the system is unavailable between 8:00 p.m. on Sundays and 6:00 a.m. on Mondays, and between 7:00 p.m. on Wednesdays and 6:00 a.m. on Thursdays, Washington, DC time. Any modifications to these hours are posted on the e-Grants Web site.

- You will not receive additional point value because you submit your application in electronic format, nor will we penalize you if you qualify for an exception to the electronic submission requirement, as described elsewhere in this section, and submit your application in paper format.
- You must submit all documents electronically, including all information you typically provide on the following forms: the Application for Federal Assistance (SF 424), the Department of Education Supplemental Information for SF 424, Budget Information--Non-Construction Programs (ED 524), and all necessary assurances and certifications.
- Ensure that you only attach the Education approved file types detailed in the Federal Register application notice: .doc, .pdf or .rtf. If using Word 2007, save your file to an earlier version of Word before uploading. Also, do not upload any password-protected files to your application.
- Applicants cannot include website links in their applications. Reviewers will only review and score information included in the application.
- Prior to submitting your electronic application, you may wish to print a copy of it for your records.
- After you electronically submit your application, you will receive an automatic acknowledgment that will include a PR/Award number (an identifying number unique to your application).
- Within three working days after submitting your electronic application, fax a signed copy of the SF 424 to the Application Control Center after following these steps:
 - 1) Print SF 424 from e-Application.
 - 2) The applicant's Authorizing Representative must sign this form.
 - 3) Place the PR/Award number in the upper right hand corner of the hard-copy signature page of the SF 424.
 - 4) Fax the signed SF 424 to the Application Control Center at (202) 245-6272.
- We may request that you provide us original signatures on other forms at a later date.

Application Deadline Date Extension in Case of e-Application System Unavailability

If you are prevented from electronically submitting your application on the application deadline date because the e-Application system is unavailable, we will grant you an extension of one business day in order to transmit your application electronically, by mail, or by hand delivery.

We will grant this extension if—

- 1) You are a registered user of e-Application and you have initiated an electronic application for this competition; and
- 2) (a) The e-Application system is unavailable for 60 minutes or more between the hours of 8:30 a.m. and 3:30 p.m., Washington, DC time, on the application deadline date; or
(b) The e-Application system is unavailable for any period of time between 3:30 p.m. and 4:30 p.m., Washington, DC time, on the application deadline date.

We must acknowledge and confirm these periods of unavailability before granting you an extension. To request this extension or to confirm our acknowledgement of any system unavailability, you may contact either (1) the person listed in the Federal Register Notice under For Further Information Contact (see VII. Agency Contact) or (2) the e-Grants help desk at 1-888-336-8930. If the system is down and therefore the application deadline is extended, an e-mail will be sent to all registered users who have initiated an e-Application. Extensions referred to in this section apply only to the unavailability of the Department's e-Application system.

Exception to the Electronic Submission Requirement

According to the instructions found in the Federal Register notice, only those requesting and qualifying for an Exception to the electronic submission requirement may submit an application via mail, commercial carrier or by hand delivery.

You qualify for an exception to the electronic submission requirement, and may submit your application in paper format, if you are unable to submit an application through e-Application because—

- You do not have access to the Internet; or
- You do not have the capacity to upload large documents to e-Application;
and
- No later than two weeks before the application deadline date (14 calendar days or, if the fourteenth calendar day before the application deadline date falls on a Federal holiday, the next business day following the Federal holiday), you mail or fax a written statement to the Department, explaining which of the two grounds for an exception prevents you from using the Internet to submit your application. If you mail your written statement to the Department, it must be postmarked no later than two weeks before the application deadline date. If you fax your written statement to the Department, we must receive the faxed statement no later than two weeks before the application deadline date.

Address and mail or fax your statement to: April Lee, Office of Elementary and Secondary Education (Attention: Teacher Incentive Fund), U.S. Department of Education, 400 Maryland Avenue, SW., Room 3E120, Washington, DC 20202. FAX: 202-260-8969.

Your paper application must be submitted in accordance with the mail or hand delivery instructions described in this notice.

Submission of Paper Applications by Mail:

If you qualify for an exception to the electronic submission requirement, you may mail (through the U.S. Postal Service or a commercial carrier) your application to the Department.

Applications must be postmarked by 4:30:00 on the deadline date. Applications postmarked after 4:30:00 on the deadline date will not be read. You must mail the original and two copies of your application to the Department at the following address:

U.S. Department of Education
Application Control Center
Attention: (CFDA Number 84.385)
LBJ Basement Level 1
400 Maryland Avenue, SW.
Washington, DC 20202-4260

You must show proof of mailing consisting of one of the following:

- (1) A legibly dated U.S. Postal Service postmark.
- (2) A legible mail receipt with the date of mailing stamped by the U.S. Postal Service.
- (3) A dated shipping label, invoice, or receipt from a commercial carrier.
- (4) Any other proof of mailing acceptable to the Secretary of the U.S. Department of Education.

If you mail your application through the U.S. Postal Service, we do not accept either of the following as proof of mailing:

- (1) A private metered postmark.
- (2) A mail receipt that is not dated by the U.S. Postal Service.

If your application is postmarked after the application deadline date, we will not consider your application.

Note: The U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, you should check with your local post office.

Submission of Paper Applications by Hand Delivery

If you qualify for an exception to the electronic submission requirement, you (or a courier service) may deliver your paper application to the Department by hand. You must deliver the original and two copies of your application by hand, on or before the application deadline date, to the Department at the following address:

U.S. Department of Education
Application Control Center
Attention: (CFDA Number 84.385)
Room 7041, Potomac Center Plaza
550 12th Street, SW.
Washington, DC 20202-4260

The Application Control Center accepts hand deliveries daily between 8:00 a.m. and 4:30:00 p.m., Washington, DC time, except Saturdays, Sundays, and Federal holidays.

Note for Mail or Hand Delivery of Paper Applications:

If you mail or hand deliver your application to the Department--

- (1) You must indicate on the envelope and--if not provided by the Department--in Item 11 of the SF 424 the CFDA number, including suffix letter, if any, of the competition under which you are submitting your application; and
- (2) The Application Control Center will mail to you a notification of receipt of your grant application. If you do not receive this notification within 15 business days from the application deadline date, you should call the U.S. Department of Education Application Control Center at (202) 245-6288.

e-Application Submission Procedures and Tips for Applicants -- <http://e-grants.ed.gov>

To facilitate your use of e-Application, this document includes important application preparation and submission procedures you need to be aware of to ensure your application is received in a timely manner and accepted by the Department of Education. Please read and follow these step-by-step directions to create and submit your application.

ATTENTION

Applicants using the Department of Education's e-Application system will need to register first to access an application package. Forms in an application package are completed on line and

narratives are uploaded while logged into the system. Therefore, allow sufficient time to complete your application before the closing date. If you have not used e-Application in the past, you may want to walk through the Demo available on the e-Application homepage. If you encounter difficulties, you may also contact the e-Grants help desk on 1-888-336-8930. The following are steps you should follow to successfully complete an application with e-Application.

Step 1 – Electronic submission is **required** for this competition. **Familiarize** yourself with the application requirements published in the Federal Register Notice. A copy of the Federal Register Notice is included in this application package. In addition, you may view the Department’s Federal Register notices online at:
<http://www.ed.gov/news/fedregister/announce/index.html>.

Step 2 – **Register in e-Application** to access the application package. If you are a new user, you will need to register to use e-Application. From the e-Grants Portal Page <http://e-grants.ed.gov/>, click on the continue button and click the register button on the right side of the next page. Select the e-Application module and click the next button. Please provide the requested information. Your e-Grants password will be sent to the e-mail address you provide. Once you receive the e-mail, enter your username and password and click the login button. If you already have a username and password for e-Grants, use them to login. If you have access to more than one e-Grants module, you will be directed to select which module you wish to enter. Keep in mind that this username and password will be used for all e-Grants modules. In order to update your registration for additional e-Grants modules, click the appropriate tab on the top of the screen and provide the requested information. Note the following browser compatibility problems. The site is viewed best in Internet Explorer 5. We currently support IE 5, Netscape 6.2, and Firefox 2.2 (along with later versions of IE, Netscape and Firefox). Please make sure that you have **Cookies** and **JavaScript** enabled in your browser.

Step 3 - **Add Application Package to your Start Page.** From your Start Page, click on the "Add" button to see the list of application packages. Click on a specific package link on the List of Application Packages to apply. The package will now appear on your Start Page. From this point forward, you will access your unique application from your Start Page (not the Packages Page).

Step 4 - **Begin the Application.** Click on the underlined Application Package Title on your Start Page. This brings you to a page where you will see all of the application's forms and narratives listed as underlined links.

Step 5 - **Fill out Forms.** Enter a form by clicking on the underlined form title in order to enter data. Remember to click the "Save" button at the bottom of the form and check the "Form Completed" box for each form as you complete it.

Step 6 - **Upload File(s) for Narrative Responses.** Click on an underlined narrative form title for the e-Application. Enter the title of the document, and click on the "Browse" button to locate your file. Remember to click the "Save" button after you upload the document and check the "Form Completed" box when you finish uploading your file(s). Please note for file uploads,

we accept .doc, .rtf, and .pdf files only. If you are using Word 2007, please save your document in a lower version of Word before uploading into e-Application.

Step 7 - Verify Information/Print Application. Verify your information is complete and correct on all required forms and narratives. You have the option to print each form at any time by clicking on the print/view icon next to the appropriate form. After submission of the forms and narratives, you have the option to print a complete e-Application package in PDF by clicking on the "Request Complete Package in PDF" on the e-Application PR/Award page. A second window will open informing you that your request has been received and that you will be notified via e-mail once it is available. This process can take anywhere from a few minutes to a few hours. Once you receive the e-mail, click on the link in the text of the message and enter your username and password in the new window. This will open the PDF file from which you can view/print the entire package. In addition, a blank complete package in PDF will be accessible from the package page in e-Application.

Step 8 - Submit your Application. Only authorized individuals for your organization can submit an application. Please check with your Authorizing Representative or sponsored research office before submission. Click on the "Ready to submit" button at the bottom of your application. Enter and verify the Authorizing Representative information. Click the "Submit" button. You will receive an e-mail to confirm that your application was received, and it will include a unique application number. Please print and keep this e-mail for your records. [Reminder: applications must be submitted before 4:30:00 p.m., Washington, DC time, on the deadline date for applications. e-Application will not accept your application if you try to submit it after 4:30:00 on the deadline date.]

Step 9 - Fax the signed SF 424 Cover Page. Write your unique application number (received in step 8) on the upper right corner of your printed SF 424 Cover Page and fax it to the Application Control Center (202) 245-6272 within 3 business days of submitting your e-Application.

NOTE: For more detailed information on submitting an e-Application, please see the **User Guide**. In addition, please try practicing with our e-Application Demo site by clicking on the Demo button found on the upper left corner of the e-Application Home Page. Both the User Guide and Demo can be found at <http://e-grants.ed.gov>.

Other Submission Tips

- 1) **SUBMIT EARLY - We strongly recommend that you do not wait until the last day to submit your application.** The time it takes to upload the narratives for your application will vary depending on a number of factors including the size of the files and the speed of your Internet connection. If you try to submit your application after 4:30:00 p.m., Washington, DC time on the deadline date, the e-Application system will not accept it.
- 2) Electronic submission is required and you must submit an electronic application before 4:30:00 p.m., unless you follow the procedures in the Federal Register notice and qualify for one of the exceptions to the electronic submission requirement and submit, no later than two weeks before the application deadline date, a written statement to the

Department that you qualify for one of these exceptions. (See the Federal Register notice for detailed instructions.)

- 3) Dial-Up Internet Connections - When using a dial-up connection to upload and submit your application, it can take significantly longer than when you are connected to the Internet with a high-speed connection, e.g. cable modem/DSL/T1. While times will vary depending upon the size of your application, it can take a few minutes to a few hours to complete your grant submission using a dial-up connection. If you do not have access to a high-speed connection and electronic submission is required, you may want to consider following the instructions in the Federal Register notice to obtain an exception to the electronic submission requirement no later than two weeks before the application deadline date. (See the Federal Register notice for detailed instructions.)

Attaching Files – Additional Tips

Please note the following tips related to attaching files to your application:

1. Ensure that you only attach the Education approved file types detailed in the Federal Register application notice (.doc, .pdf or .rtf). If using Word 2007, save your file to an earlier version of Word before uploading. Also, do not upload any password-protected files to your application.
2. When attaching files, applicants should limit the size of their file names. Lengthy file names could result in difficulties with opening and processing your application. We recommend you keep your file names to less than 50 characters. In addition, applicants should avoid including special characters in their file names (for example, %, *, /, etc.) Both of these conditions (lengthy file names and/or special characters including in the file names) could result in difficulties opening and processing a submitted application.
3. Applicants should limit the size of their file attachments. Documents submitted that contain graphics and/or scanned material often greatly increase the size of the file attachments and can result in difficulties opening the files. Please note that each file attachment in e-Application has a file size limitation, which is anywhere from 2 to 8 MB, and the limitation will be indicated on the individual screen when you upload a file. For reference, however, the average discretionary grant application package totals 1 to 2 MB. Therefore, you may want to check the size of your attachments before uploading them into e-Application.

Electronic Application Format

In accordance with EDGAR §75.216 (b) and (c), an application will not be evaluated for funding if the applicant does not comply with all of the procedural rules that govern the submission of the application or the application does not contain the information required under the competition.

It is recommended that your electronic application be organized in the following manner and include the following parts in order to expedite the review process. Instructions for all parts and forms of the application are found either on the following pages of the application package or individually for each form on <http://e-grants.ed.gov>.

We strongly recommend that you review these details on <http://e-grants.ed.gov> before completing and submitting your application. In addition, applicants should submit their application a day or two in advance of the closing date as detailed below.

Note: Please do not attach any narratives, supporting files, or application components to any forms unless it is specifically required by the instructions for the individual section of the application.

When attaching files, applicants should limit the size of their file names. Lengthy file names could result in difficulties with opening and processing your application. We recommend your file names be less than 50 characters.

Ensure that you only attach the Education approved file types detailed in the Federal Register application notice: .doc, .pdf or .rtf. If using Word 2007, save your file to an earlier version of Word before uploading. Also, do not upload any password-protected files to your application.

Legal and Regulatory Information

4000-01-U
DEPARTMENT OF EDUCATION
Office of Elementary and Secondary Education
Overview Information
Teacher Incentive Fund

Notice inviting applications for new awards for fiscal year (FY) 2010.
Catalog of Federal Domestic Assistance (CFDA) Numbers: 84.385 and 84.374.

Dates:

Applications Available: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Notice of Intent to Apply: [INSERT DATE 10 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Transmittal of Applications: [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Dates of Pre-Application Workshops: Visit the Teacher Incentive Fund's website at:
<http://www2.ed.gov/programs/teacherincentive/applicant.html> for more information.

Deadline for Intergovernmental Review: [INSERT DATE 105 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Full Text of Announcement

I. Funding Opportunity Description

Purpose of Program: The purpose of the Teacher Incentive Fund (TIF) program is to support projects that develop and implement performance-based compensation systems (PBCSs) for teachers, principals, and other personnel in order to increase educator effectiveness and student achievement (as defined in this notice), measured in significant part by student growth (as defined in this notice), in high-need schools (as defined in this notice).

Priorities: These priorities are from the notice of final priorities, requirements, definitions, and selection criteria (NFP) for this program, published elsewhere in this issue of the Federal Register. This notice contains six priorities for the Main TIF Competition and the TIF Evaluation Competition. Priorities 1 through 3 are absolute priorities. Priorities 4 through 6 are competitive preference priorities and are aligned with other key education reform goals of the Department.

Absolute Priorities: For FY 2010 and any subsequent year in which we make awards from the list of unfunded applicants from this competition, these priorities are absolute priorities. Under 34 CFR 75.105(c)(3) we consider only applications that address these priorities.

Applicants for each type of grant must address all three absolute priorities in their applications. These priorities are:

Priority 1 (Absolute) -- Differentiated Levels of Compensation for Effective Teachers and Principals.

To meet this absolute priority, an applicant must demonstrate, in its application, that it will develop and implement a PBCS that rewards, at differentiated levels, teachers and principals who demonstrate their effectiveness by improving student achievement (as defined in this notice), as part of the coherent and integrated approach of the local educational agency (LEA) to strengthening the educator workforce.

In determining teacher and principal effectiveness as part of the PBCS, the LEA--

(a) Must give significant weight to student growth (as defined in this notice), based on objective data on student performance;

(b) Must include observation-based assessments of teacher and principal performance at multiple points in the year, carried out by evaluators trained in using objective evidence-based rubrics for observation, aligned with professional teaching standards; and, if applicable, as part of the LEA's coherent and integrated approach to strengthening the educator workforce; and

(c) May include other measures, such as evidence of leadership roles (as defined in this notice), that increase the effectiveness of other teachers in the school or LEA.

In determining principal effectiveness as part of a PBCS, the LEA must give significant weight to student growth (as defined in this notice) and may include supplemental measures such as high school graduation and college enrollment rates.

In addition, the applicant must demonstrate that the differentiated effectiveness incentive payments will provide incentive amounts that are substantial and provide justification for the level of incentive amounts chosen. While the Department does not propose a minimum incentive amount, the Department encourages applicants to be thorough in their explanation of why the selected incentive amounts are likely high enough to create change in the behavior of current and prospective teachers and principals in order to ultimately improve student outcomes.

Priority 2 (Absolute) -- Fiscal Sustainability of the Performance-Based Compensation System (PBCS).

To meet this absolute priority, the applicant must provide, in its application, evidence that:

(a) The applicant has projected costs associated with the development and implementation of the PBCS, during the project period and beyond, and has accepted the responsibility to provide such performance-based compensation to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) who earn it under the system; and

(b) The applicant will provide from non-TIF funds over the course of the five-year project period an increasing share of performance-based compensation paid to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) in those project years in which the LEA provides such payments as part of its PBCS.

Priority 3 (Absolute) -- Comprehensive Approaches to the Performance-Based Compensation System (PBCS).

To meet this absolute priority, the applicant must provide, in its application, evidence that the proposed PBCS is aligned with a coherent and integrated strategy for strengthening the educator workforce, including in the use of data and evaluations for professional development and retention and tenure decisions, in the LEA or LEAs participating in the project, during and after the end of the TIF project period.

Competitive Preference Priorities: For FY 2010 and any subsequent year in which we make awards from the list of unfunded applicants from this competition, these priorities are competitive preference priorities.

Applicants may choose to address one or more of the three competitive preference priorities. Under 34 CFR 75.105(c)(2)(i) applicants will be awarded points for competitive preference priorities 4 and 5 depending on how well the application addresses the priority. The number of points to be awarded are indicated in parenthesis following the criterion.

These priorities are:

Priority 4 (Competitive Preference) -- Use of Value-Added Measures of Student Achievement. (Up to 5 points)

To meet this competitive preference priority, the applicant must demonstrate, in its application, that the proposed PBCS for teachers, principals, and other personnel (in those sites in which the grantee wishes to

expand the PBCS to additional staff in its schools) will use a value-added measure of the impact on student growth (as defined in this notice) as a significant factor in calculating differentiated levels of compensation provided to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools).

Under this priority, the applicant must also demonstrate that it has a plan to ensure that, as part of the PBCS, it has the capacity to (1) implement the proposed value-added model (e.g., through robust data systems that collect the necessary data and ensure data quality), and (2) clearly explain the chosen value-added model to teachers to enable them to use the data generated through the model to improve classroom practices.

Priority 5 (Competitive Preference) -- Increased Recruitment and Retention of Effective Teachers to Serve High-Need Students and in Hard-to-Staff Subjects and Specialty Areas in High-Need Schools. (Up to 5 points)

To meet this competitive preference priority, the applicant must demonstrate in its application that its proposed PBCS is designed to assist high-need schools (as defined in this notice) to (1) serve high-need students (as defined in this notice), (2) retain effective teachers in teaching positions in hard-to-staff subjects and specialty areas, such as mathematics, science, special education, and English language acquisition, and (3) fill vacancies with teachers of those subjects or specialty areas who are effective or likely to be effective. The applicant must provide an explanation for how it will determine that a teacher filling a vacancy is effective or likely to be effective. In addition, applicants must demonstrate, in their applications, the extent to which the subjects or specialty areas they propose to target are hard-to-staff. Lastly, applicants must demonstrate, in their applications, that they will implement a process for effectively communicating to teachers which of the LEA's schools are high-need and which subjects and specialty areas are considered hard-to-staff.

Priority 6 (Competitive Preference)-- New Applicants to the Teacher Incentive Fund (2 points)

To meet this competitive preference priority, an applicant must be a new applicant to the TIF program. For the purposes of this priority, a new applicant is (1) an eligible entity that has not previously been awarded a grant under the TIF program, or (2) a nonprofit organization that previously received funding through TIF, as part of a partnership with one or more LEAs or SEAs, but that is applying to work with a different group of eligible LEAs or SEAs than it worked with under any previous TIF grant. Under this competitive preference priority, a current nonprofit grantee may not propose to use new TIF funds to compensate for any activities related to the development and implementation of its PBCS in LEAs and high-need schools (as defined in this notice) already served under the current grant. Rather, a nonprofit organization that is a current TIF grantee may only use new TIF funds for the costs of implementing the PBCS in high-need schools (as defined in this notice) in the new LEAs or SEAs (including charter schools) that have not previously received TIF funds.

REQUIREMENTS: The following sections provide requirements for both the Main TIF and TIF Evaluation competitions.

Requirements for Main TIF competition:

The following requirements are from the notice of final priorities, requirements, definitions, and selection criteria (NFP) for this program, published elsewhere in this issue of the Federal Register, and apply to the Main TIF competition.

Selection of Competition. An applicant may submit an application for either the Main TIF competition or the TIF Evaluation competition. Each applicant must identify in its application the competition for which it is applying. Decisions regarding awards for the TIF Evaluation program will be made prior to doing so for the Main TIF competition, so that applicants not funded in the TIF Evaluation competition will still be eligible for funding under the Main TIF competition.

Application Requirement. Each applicant must describe in its application how its proposed PBCS will provide educators with incentives to take on additional responsibilities and leadership roles (as defined in this notice).

Core Elements of a PBCS and a Potential Planning Period. Each applicant must either--

(a) Demonstrate in its application that it has in place the five core elements that follow; or

(b) If the applicant cannot demonstrate in its application that it has in place each of the five core elements--

(1) Agree, as part of its application, to implement a planning period of up to one year, during which it will use its TIF funds to develop the core element or elements it lacks; and

(2) Include, in its application, a plan for how it will implement the core element or elements it lacks during the planning period.

Core Elements.

(a) A plan for effectively communicating to teachers, administrators, other school personnel, and the community-at-large the components of its PBCS;

(b) The involvement and support of teachers, principals, and other personnel (including input from teachers, principals, and other personnel in the schools and LEAs to be served by the grant) and the involvement and support of unions in participating LEAs (where they are the designated exclusive representatives for the purpose of collective bargaining) that is needed to carry out the grant;

(c) Rigorous, transparent, and fair evaluation systems for teachers and principals that differentiate effectiveness using multiple rating categories that take into account student growth (as defined in this notice) as a significant factor, as well as classroom observations conducted at least twice during the school year. The evaluation process must: (1) use an objective, evidence-based rubric aligned with professional teaching or leadership standards and the LEA's coherent and integrated approach to strengthening the educator workforce; (2) provide for observations of each teacher or principal at least twice during the school year by individuals (who may include peer reviewers) who are provided specialized training; (3) incorporate the collection and evaluation of additional forms of evidence; and (4) ensure a high degree of inter-rater reliability (i.e., agreement among two or more raters who score approximately the same);

(d) A data-management system⁴ that can link student achievement (as defined in this notice) data to teacher and principal payroll and human resources systems; and

(e) A plan for ensuring that teachers and principals understand the specific measures of teacher and principal effectiveness included in the PBCS, and receive professional development that enables them to use data generated by these measures to improve their practice.

Planning Period Requirements. Each grantee that implements a planning period to develop the core element or elements it lacks, is--

(a) Required to demonstrate in its annual performance report or other interim performance report that it has implemented any of the five core elements it had lacked at the start of the project; and

(b) Prohibited from using TIF program funds to provide incentive payments to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) until it has implemented a PBCS that, to the Secretary's satisfaction, has all five core elements.

⁴ Successful applicants that receive Teacher Incentive Fund grant awards must ensure that the program's PBCS, including the necessary data systems, complies with the Family Educational Rights and Privacy Act (FERPA), including the regulations in 34 CFR Part 99, as well as any applicable State and local requirements regarding privacy.

Professional Development. Each applicant must demonstrate, in its application, that its proposed PBCS will include a high-quality professional development component for teachers and principals consistent with the definition of the term professional development in section 9101(34) of the ESEA.

The applicant must demonstrate that its PBCS has a professional development component in place, or a specific plan for developing one, that is directly linked to the specific measures of teacher and principal effectiveness included in the PBCS. The professional development component of the PBCS must--

- (1) Be based on needs assessed either at the high-need schools (as defined in this notice) participating in the applicant's proposed PBCS or LEA-wide;
- (2) Be targeted to individual teachers' and principals' needs as identified in the evaluation process;
- (3) Provide--
 - (a) Those teachers and principals in participating TIF schools who do not receive differentiated compensation based on effectiveness under the PBCS with the tools and skills they need to improve their effectiveness in the classroom or school and be able to raise student achievement (as defined in this notice); and
 - (b) Those teachers and principals who are deemed to be effective and who, therefore, receive differentiated compensation under the PBCS, with the tools and skills they need to (1) continue effective practices in the classroom or school and raise student achievement (as defined in this notice), and (2) successfully assume additional responsibilities and leadership roles (as defined in this notice);
- (4) Support teachers and principals to better understand and use the measures of effectiveness in the PBCS to improve practice and student achievement (as defined in this notice); and
- (5) Include a process for regularly assessing the effectiveness of this professional development in improving teacher and leadership practice to increase student achievement (as defined in this notice) and making modifications necessary to improve its effectiveness.

High-Need Schools Documentation. Each applicant must demonstrate, in its application, that the schools to be served by the proposed PBCS are high-need schools (as defined in this notice). Each applicant must provide, in its application, a list of schools in which the proposed PBCS will be implemented as well as the most current data on the percentage of each identified school's students who are eligible for free or reduced-price lunch subsidies under the Richard B. Russell National School Lunch Act, or other poverty measures that the LEA uses (see section 1113(a)(5) of the ESEA (20 U.S.C. 6313(a)(5))). Data provided to demonstrate eligibility as a high-need school (as defined in this notice) must be school-level data; the Department will not accept LEA- or State-level data for purposes of documenting whether a school is a high-need school (as defined in this notice).

Additional Eligibility Requirement. Each applicant that currently participates in a TIF project must confirm in its application either that—

- (a) Its proposed PBCS would be available to educators in high-need schools (as defined in this notice) in which the LEA does not currently make a TIF-supported PBCS available; or
- (b) If the applicant's current TIF project serves only principals or only teachers, its proposed project would add teachers or principals, respectively, who work in high-need schools (as defined in this notice) and who are not eligible for performance-based compensation under the applicant's current TIF project's PBCS.

If awarded a grant, the grantee must maintain its PBCS for teachers and principals in high-need schools (as defined in this notice) for the duration of the new TIF project period. An applicant may also propose to have other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) who work in high-need schools (as defined in this notice) benefit from the PBCS.

Requirements for the TIF Evaluation Competition:

In addition to the requirements and priorities for the Main TIF competition, which applicants for the TIF Evaluation competition are also required to meet, the Secretary includes the following requirements for the TIF Evaluation competition only:

Budget Information. In exchange for its agreement to participate in the national TIF Evaluation, a successful applicant for the TIF Evaluation competition will receive a minimum of \$1 million of additional funding over the 5-year grant period (above the amount of funding awarded to it to implement the PBCS proposed in its application) for the four pairs of schools selected to participate in the evaluation. For each additional pair of schools participating in the evaluation, a successful applicant will receive an additional \$250,000, up to a maximum total additional award of \$2 million.

An applicant for the TIF Evaluation competition must provide, in its application, a proposed budget that indicates how it plans to use the additional funds the Department would award. While these additional funds must be used for TIF-related activities, examples of acceptable expenses include the costs of:

(1) Academic coaches such as mathematics and reading coaches, and Master, Mentor, or Lead Teacher salaries beyond those the Department will otherwise fund under the Main TIF competition. Under the Main TIF competition, the Department approves expenses related to one salary, per position, per high-need school (as defined in this notice) within the project scope);

(2) Activities such as expenses related to release time for teachers to attend professional development beyond those the Department will otherwise fund under the Main competition (the Department does not allow for an unreasonable amount of substitute teacher salaries to compensate for this release time);

(3) Support for the PBCS that would otherwise need to be paid with non-TIF funds in order to implement the applicant's plan for fiscal sustainability under absolute priority 2; and

(4) Costs associated with participating in the national evaluation, such as preparing administrative student records for use by the national evaluator.

Incentive Amounts. Consistent with absolute priority 1, an applicant for the TIF Evaluation competition must demonstrate, in its application, that it will implement a PBCS that uses--

(1) Incentive payments to principals based on differentiated levels of effectiveness in which--

(a) The average principal payout (defined as the total amount of principal payments divided by the total number of principals in the schools participating in the differentiated effectiveness incentive payment component of the PBCS) is substantial (e.g., 5 percent of the average principal salary);

(b) The criteria for determining whether a principal is eligible for payment are challenging (e.g., payments are made to only those who perform significantly better than the current average performance among study schools within the LEA)⁵, and;

(c) There is an expectation of meaningful differences in resulting principal pay (e.g., at least some principals could reasonably expect to receive an incentive payment of three times the average principal payout and the applicant's documentation of cost projections is consistent with this expectation); and

(2) Incentive payments to teachers based on differentiated levels of effectiveness in which—

(a) The average teacher payout (defined as the total amount of teacher payments divided by the total number of teachers in the schools participating in the differentiated effectiveness incentive payment component of the PBCS) is substantial (e.g., 5 percent of the average teacher salary);

⁵ For the purposes of the TIF Evaluation Competition, an "LEA" includes consortia and intermediary units, so long as they are considered an LEA under State law.

(b) The criteria for determining whether a teacher is eligible for payment are challenging (e.g., payments are made only to those who perform significantly better than the current average performance among study schools within the LEA); and

(c) There is an expectation of meaningful differences in resulting teacher pay (e.g., at least some teachers could reasonably expect to receive an incentive payment of three times the average teacher payout and the applicant’s documentation of cost projections is consistent with this expectation).

Implementation of Evaluation. Each applicant under the TIF Evaluation competition must agree, in its application, to implement its differentiated effectiveness incentive component of the PBCS and a 1 percent across-the-board annual bonus in at least one LEA in accordance with the implementation plan developed by the Institute of Education Sciences (IES) evaluator, Mathematica Policy Research (<http://www.mathematica-mpr.com/education/tifgrantee.asp>). Specifically, the IES evaluator will select by lottery one-half of the evaluation schools within the LEA (i.e., “Group 1”) to implement the applicant’s proposed differentiated effectiveness incentive payment component of the PBCS. The other half of the schools within the LEA (i.e., “Group 2”) participating in the evaluation will implement a 1 percent across-the-board annual bonus for teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools). The applicant must identify, in its application, the schools that are proposed for participation in the evaluation.

In participating LEAs that have the five core elements in place at the time of the initial grant award, the first group of schools in that LEA (Group 1 schools) must begin implementation of all components of the PBCS at the beginning of the 2010-2011 school year. In a participating LEA that does not yet have in place the five core elements necessary to implement a successful PBCS at the time of award, the first group of schools in that LEA (Group 1 schools) must begin implementation of all components of the PBCS no later than the 2011-2012 school year.

The following table illustrates the TIF Evaluation random assignment plan, depending on the amount of planning time an applicant needs:

	Random Assignment^a	Pay component of PBCS^b
LEAs Ready for 2010-11 Implementation	Group 1	Differentiated pay implemented starting in 2010-11
	Group 2	Across-the-board annual 1 percent bonus implemented starting in 2010-11 through 2014-15
LEAs Ready for 2011-12 Implementation	Group 1	Differentiated pay implemented starting in 2011-12
	Group 2	Across-the-board annual 1 percent bonus implemented starting in 2011-12 through 2014-15

^aFor each LEA, the IES evaluator will randomly assign the schools participating in the Evaluation into 2 groups (Groups 1 and 2).

^bThe school year listed is the first year in which the differentiated effectiveness incentive component of the PBCS will be implemented in the LEA’s schools participating in the designated group.

Commitment to Evaluation. An applicant for the TIF Evaluation competition must demonstrate, in its application, that each participating LEA and school is willing to participate in the TIF Evaluation. Documentation demonstrating this commitment must include, for each participating LEA--

(1) A letter from the LEA superintendent and the principals of the participating schools stating that those officials agree to meet the TIF Evaluation competition requirements, including adhering to the implementation plan of the IES evaluator, which involves selection through a lottery of those schools to implement the differentiated effectiveness component among the schools participating in the evaluation.

(2) A letter from the research office or research board of the participating LEA that expresses an agreement to comply with the TIF Evaluation requirements (if the LEA requires such research office approval).

Advance Notice. Each applicant must agree, in its application, to work with the IES evaluator to notify all eligible schools participating in the TIF Evaluation at least two months prior to the assigned Group 1 implementation schedule. The Department will waive this advance notice for any applicants that are eligible to implement their PBCS in 2010-11 (i.e., meet the five core requirements) so long as the program is implemented according to the evaluator's assigned group status (NOTE: The evaluator will be ready to assign group status immediately upon grant award, or if the applicant prefers, the applicant can discuss with Mathematica prior to grant award how to comply with the evaluation requirements by contacting Mathematica at <http://www.mathematica-mpr.com/education/tifgrantee.asp>).

Implementation of All Non-differentiated Effectiveness Incentive Components. Each applicant must agree, in its application, to implement the non-differentiated effectiveness incentive components of its PBCS (e.g., bonuses for leadership or additional responsibilities and professional development activities) in all of the LEA's participating schools (those in Groups 1 and 2) starting at the same time as the differentiated effectiveness incentive component of its PBCS is implemented in the Group 1 schools. The schools in Group 2 must not implement the differentiated effectiveness incentive component of its PBCS for the duration of the TIF grant.

Scope of Schools. An applicant for the TIF Evaluation competition must demonstrate, in its application, that it will implement a PBCS in eight or more high-need schools (as defined in this notice) in an LEA that has students in tested subjects or grades (i.e., students in grades three through eight). At least two of the schools proposed to participate in the TIF Evaluation must be from within the same grade configuration (i.e., if elementary schools are proposed there are at least two elementary schools among the minimum of eight schools all within the same LEA; if middle schools are proposed there are at least two middle schools among the minimum of eight schools all within the same LEA). Applicants that include multiple LEAs must meet the scope-of-schools requirement in at least one LEA. In addition, no LEA will have more than 16 high-need schools (as defined in this notice) selected for the TIF Evaluation.

An applicant that is a consortium of small LEAs or an intermediary unit that is considered an LEA under State law does not have to have eight eligible schools in a participating LEA provided that the consortium or intermediary unit serves a coordinating function (i.e., data are available from a centralized or coordinating entity). In this case, the minimum number of schools required for the consortium or intermediary unit is still eight, and within the eight, each school is at least paired with another school at the same grade level and within the same State. The Department will use the number of eligible schools, up to 16 per LEA, that a successful applicant makes available for the TIF Evaluation.

Local Evaluation. In order to be eligible to receive points under the selection criteria, TIF Evaluation competition applicants must include a description of its local evaluation, demonstrated in its response to the

selection criterion Quality of Local Evaluation. For the purposes of the TIF Evaluation competition, the score for this part of the application will not be used to rank the application. For the purposes of the Main TIF competition, if applicable, the score for this part of the application will be used to rank the application. If an applicant is selected under the TIF Evaluation competition, the local evaluation plan will not be reviewed and will not be applicable for program implementation.

DEFINITIONS:

The following definitions are from the NFP for this program, published elsewhere in this issue of the Federal Register, and apply to the competitions announced in this notice.

High-need school means a school with 50 percent or more of its enrollment from low-income families, based on eligibility for free or reduced-price lunch subsidies under the Richard B. Russell National School Lunch Act, or other poverty measures that LEAs use (see section 1113(a)(5) of the ESEA (20 U.S.C. 6313(a)(5)). For middle and high schools, eligibility may be calculated on the basis of comparable data from feeder schools. Eligibility as a high-need school under this definition is determined on the basis of the most currently available data.

Student achievement means--

(a) For tested grades and subjects--

(1) A student's score on the State's assessments under the ESEA; and

(2) As appropriate, other measures of student learning, such as those described in paragraph (b) of this definition, provided that they are rigorous and comparable across schools; and

(b) For non-tested grades and subjects, alternative measures of student learning and performance, such as student scores on pre-tests and end-of-course tests; student performance on English language proficiency assessments; and other measures of student achievement that are rigorous and comparable across schools.

Student growth means the change in student achievement (as defined in this notice) for an individual student between two or more points in time. A State or LEA may also include other measures that are rigorous and comparable across schools.

High-need students means students at risk of educational failure or otherwise in need of special assistance and support, such as students who are living in poverty, who attend high-minority schools, who are far below grade level, who have left school before receiving a regular high-school diploma, who are at risk of not graduating with a diploma on time, who are homeless, who are in foster care, who have been incarcerated, who have disabilities, or who are English learners.

Additional responsibilities and leadership roles means additional duties teachers may voluntarily accept, such as: (1) serving as master or mentor teachers who are chosen through a performance-based selection process (including through assessment of their teaching effectiveness and the ability to work effectively with other adults and students) and who have responsibilities to share effective instructional practices and/or to assess and improve the teaching effectiveness of other teachers in the school; (2) roles in induction and mentoring of novice teachers or high-need students (as defined in this notice); (3) tutoring students; or (4) roles in establishing and developing learning communities designed to continually improve the capacity of all teachers in a school to advance student learning, using a shared set of practices, instructional principles, or teaching strategies.

Program Authority: The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008, Division G, Title III, Pub. L. 110-161; Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2010, Division D, Title III, Pub. L. 111-117; and the American Recovery and Reinvestment Act of 2009, Division A, Title VIII, Pub. L. 111-5.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 84, 85, 86, 97, 98, and 99.

(b) The notice of final priorities, requirements, definitions, and selection criteria (NFP) for this program, published elsewhere in this issue of the Federal Register.

Note: The regulations in 34 CFR part 79 apply to all applicants except federally recognized Indian tribes.

Note: The regulations in 34 CFR part 86 apply to institutions of higher education only.

II. Award Information

Types of Award: Discretionary grants.

Estimated Available Funds: \$437,000,000 in total. \$300,000,000 million from the FY 2010 appropriations and \$137,000,000 from FY 2009 American Recovery and Reinvestment Act (ARRA) funds.

Estimated Range of Awards: \$5,000,000-\$10,000,000.*

Estimated Average Size of Awards: \$7,500,000.*

Estimated Number of Awards: 40-80.

* Successful applicants for the TIF Evaluation competition can anticipate award amounts at least \$1,000,000 more than for the Main TIF competition.

Note: The Department is not bound by any estimates in this notice.

Project Period: Up to 60 months, including the planning period, if applicable.

III. Eligibility Information and Program Requirements

1. Eligible Applicants: Eligible entities for these funds are:

(a) State educational agencies (SEAs),

(b) Local educational agencies (LEAs), including charter schools that are LEAs, or

(c) Partnerships of--

(1) An SEA, LEA, or both; and

(2) At least one nonprofit organization.

IV. Application and Submission Information

1. Address to Request Application Package:

ED Pubs, U.S. Department of Education, P.O. Box 22207, Alexandria, VA 22304. Telephone, toll free: 1-877-433-7827. FAX: (703)605-6794. If you use a telecommunications device for the deaf (TDD), call, toll free: 1-877-576-7734.

You can contact ED Pubs at its Web site, also: www.EDPubs.ed.gov or at its e-mail address: edpubs@inet.ed.gov.

If you request an application package from ED Pubs, be sure to identify this program or competition as follows: CFDA number 84.385.

Also, you can download the application package at the Teacher Incentive Fund Web site: <http://www2.ed.gov/programs/teacherincentive/index.html>.

Individuals with disabilities can obtain a copy of the application package in an accessible format (e.g., braille, large print, audiotape, or computer diskette) by calling the program contact number or by writing to the e-mail address listed under Accessible Format in section VIII of this notice.

2. Content and Form of Application Submission: Requirements concerning the content of an application, together with the forms you must submit, are in the application package for this competition.

Notice of Intent to Apply: [INSERT DATE 10 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

We will be able to develop a more efficient process for reviewing grant applications if we understand the number of applicants that intend to apply for funding under these competitions. Therefore, the Secretary strongly encourages each potential applicant to notify us of the applicant's intent to submit an application for funding by sending a short e-mail message. This short e-mail should provide (1) the applicant organization's name and address, (2) the type of grant for which the applicant intends to apply, (3) the one absolute priority the applicant intends to address, and (4) all competitive preference priorities the applicant intends to address. The Secretary requests that this e-mail be sent to tif@ed.gov with "Intent to Apply" in the e-mail subject line. Applicants that do not provide this e-mail notification may still apply for funding.

Page Limit: The application narrative (Part III of the application) is where you, the applicant, address the selection criteria that reviewers use to evaluate your application. Applicants are strongly encouraged to limit the application narrative (Part III) to not more than 60 pages using the following standards:

- A "page" is 8.5" x 11", on one side only, with 1" margins at the top, bottom, and both sides.
- Double space (no more than three lines per vertical inch) all text in the application narrative, including titles, headings, footnotes, quotations, references, and captions, as well as all text in charts, tables, figures, and graphs.
- Use a font that is either 12 point or larger or no smaller than 10 pitch (characters per inch).
- Use one of the following fonts: Times New Roman, Courier, Courier New, or Arial. An application submitted in any other font (including Times Roman or Arial Narrow) will not be accepted.

The suggested page limit does not apply to Part 1, the cover sheet; Part 2, the budget section, including the narrative budget justification; Part 7, the assurances and certifications; the one-page abstract; or appendices, such as the resumes, the bibliography, or the letters of support. However, the suggested page limit does apply to all of the application narrative section [Parts 3, 4, and 5].

3. Submission Dates and Times:

Applications Available: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Notice of Intent to Apply: [INSERT DATE 10 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Transmittal of Applications: [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Bidders' Conferences: In-person bidders' conferences or pre-application workshops will be held in three locations across the country in late May and early June. Bidders' conferences are intended to provide technical assistance to all interested grant applicants. Detailed information regarding the pre-application workshop locations and times, along with the on-line registration form, can be found on the Teacher Incentive Fund's website at <http://www2.ed.gov/programs/teacherincentive/applicant.html>

Applications for grants under this competition must be submitted electronically using the Electronic Grant Application System (e-Application) accessible through the Department's e-Grants site. For information (including dates and times) about how to submit your application electronically, or in paper format by mail or hand delivery if you qualify for an exception to the electronic submission requirement, please refer to section IV.7. Other Submission Requirements of this notice.

We do not consider an application that does not comply with the deadline requirements.

Individuals with disabilities who need an accommodation or auxiliary aid in connection with the application process should contact the person listed under For Further Information Contact in section VII of this notice. If the Department provides an accommodation or auxiliary aid to an individual with a disability in

connection with the application process, the individual's application remains subject to all other requirements and limitations in this notice.

Deadline for Intergovernmental Review: [INSERT DATE 105 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

4. Intergovernmental Review: This competition is subject to Executive Order 12372 and the regulations in 34 CFR part 79. Information about Intergovernmental Review of Federal Programs under Executive Order 12372 is in the application package for this competition.

5. Funding Restrictions: We reference regulations outlining funding restrictions in the Applicable Regulations section of this notice.

6. Data Universal Numbering System Number, Taxpayer Identification Number, and Central Contractor Registry: To do business with the Department of Education, (1) you must have a Data Universal Numbering System (DUNS) number and a Taxpayer Identification Number (TIN); (2) you must register both of those numbers with the Central Contractor Registry (CCR), the Government's primary registrant database; and (3) you must provide those same numbers on your application.

You can obtain a DUNS number from Dun and Bradstreet. A DUNS number can be created within one business day.

If you are a corporate entity, agency, institution, or organization, you can obtain a TIN from the Internal Revenue Service. If you are an individual, you can obtain a TIN from the Internal Revenue Service or the Social Security Administration. If you need a new TIN, please allow 2-5 weeks for your TIN to become active.

The CCR registration process may take five or more business days to complete. If you are currently registered with the CCR, you may not need to make any changes. However, please make certain that the TIN associated with your DUNS number is correct. Also note that you will need to update your CCR registration on an annual basis. This may take three or more business days to complete.

In addition, if you are submitting your application via Grants.gov, you must (1) be designated by your organization as an Authorized Organization Representative (AOR); and (2) register yourself with Grants.gov as an AOR. Details on these steps are outlined in the Grants.gov 3-Step Registration Guide (see www.grants.gov/section910/Grants.govRegistrationBrochure.pdf).

7. Other Submission Requirements:

Applications for grants under this program must be submitted electronically unless you qualify for an exception to this requirement in accordance with the instructions in this section.

a. Electronic Submission of Applications.

Applications for grants under the Teacher Incentive Fund--CFDA number 84.385 must be submitted electronically using e-Application, accessible through the Department's e-Grants Web site at: <http://e-grants.ed.gov>.

We will reject your application if you submit it in paper format unless, as described elsewhere in this section, you qualify for one of the exceptions to the electronic submission requirement and submit, no later than two weeks before the application deadline date, a written statement to the Department that you qualify for one of these exceptions. Further information regarding calculation of the date that is two weeks before the application deadline date is provided later in this section under Exception to Electronic Submission Requirement.

While completing your electronic application, you will be entering data online that will be saved into a database. You may not e-mail an electronic copy of a grant application to us.

Please note the following:

- You must complete the electronic submission of your grant application by 4:30:00 p.m., Washington, DC time, on the application deadline date. E-Application will not accept an application for this competition after 4:30:00 p.m., Washington, DC time, on the application deadline date. Therefore, we strongly recommend that you do not wait until the application deadline date to begin the application process.

- The hours of operation of the e-Grants Web site are 6:00 a.m. Monday until 7:00 p.m. Wednesday; and 6:00 a.m. Thursday until 8:00 p.m. Sunday, Washington, DC time. Please note that, because of maintenance, the system is unavailable between 8:00 p.m. on Sundays and 6:00 a.m. on Mondays, and between 7:00 p.m. on Wednesdays and 6:00 a.m. on Thursdays, Washington, DC time. Any modifications to these hours are posted on the e-Grants Web site.

- You will not receive additional point value because you submit your application in electronic format, nor will we penalize you if you qualify for an exception to the electronic submission requirement, as described elsewhere in this section, and submit your application in paper format.

- You must submit all documents electronically, including all information you typically provide on the following forms: the Application for Federal Assistance (SF 424), the Department of Education Supplemental Information for SF 424, Budget Information--Non-Construction Programs (ED 524), and all necessary assurances and certifications. You must attach any narrative sections of your application as files in a .DOC (document), .RTF (rich text), or .PDF (Portable Document) format. If you upload a file type other than the three file types specified in this paragraph or submit a password protected file, we will not review that material.

- Your electronic application must comply with any page limit requirements described in this notice.

- Prior to submitting your electronic application, you may wish to print a copy of it for your records.

- After you electronically submit your application, you will receive an automatic acknowledgment that will include a PR/Award number (an identifying number unique to your application).

- Within three working days after submitting your electronic application, fax a signed copy of the SF 424 to the Application Control Center after following these steps:

- (1) Print SF 424 from e-Application.

- (2) The applicant's Authorizing Representative must sign this form.

- (3) Place the PR/Award number in the upper right hand corner of the hard-copy signature page of the SF 424.

- (4) Fax the signed SF 424 to the Application Control Center at (202) 245-6272.

- We may request that you provide us original signatures on other forms at a later date.

Application Deadline Date Extension in Case of e-Application Unavailability: If you are prevented from electronically submitting your application on the application deadline date because e-Application is unavailable, we will grant you an extension of one business day to enable you to transmit your application electronically, by mail, or by hand delivery. We will grant this extension if--

- (1) You are a registered user of e-Application and you have initiated an electronic application for this competition; and

- (2) (a) E-Application is unavailable for 60 minutes or more between the hours of 8:30 a.m. and 3:30 p.m., Washington, DC time, on the application deadline date; or

- (b) E-Application is unavailable for any period of time between 3:30 p.m. and 4:30:00 p.m., Washington, DC time, on the application deadline date.

We must acknowledge and confirm these periods of unavailability before granting you an extension. To request this extension or to confirm our acknowledgment of any system unavailability, you may contact either (1) the person listed elsewhere in this notice under For Further Information Contact (see VII. Agency Contact)

or (2) the e-Grants help desk at 1-888-336-8930. If e-Application is unavailable due to technical problems with the system and, therefore, the application deadline is extended, an e-mail will be sent to all registered users who have initiated an e-Application. Extensions referred to in this section apply only to the unavailability of e-Application.

Exception to Electronic Submission Requirement: You qualify for an exception to the electronic submission requirement, and may submit your application in paper format, if you are unable to submit an application through e-Application because—

- You do not have access to the Internet; or
- You do not have the capacity to upload large documents to e-Application;

and

• **No later than two weeks before the application deadline date (14 calendar days or, if the fourteenth calendar day before the application deadline date falls on a Federal holiday, the next business day following the Federal holiday), you mail or fax a written statement to the Department, explaining which of the two grounds for an exception prevents you from using the Internet to submit your application. If you mail your written statement to the Department, it must be postmarked no later than two weeks before the application deadline date. If you fax your written statement to the Department, we must receive the faxed statement no later than two weeks before the application deadline date.**

Address and mail or fax your statement to: April Lee, Office of Elementary and Secondary Education (Attention: Teacher Incentive Fund), U.S. Department of Education, 400 Maryland Avenue, SW., room 3E120, Washington, DC 20202. FAX: 202-260-8969.

Your paper application must be submitted in accordance with the mail or hand delivery instructions described in this notice.

b. Submission of Paper Applications by Mail.

If you qualify for an exception to the electronic submission requirement, you may mail (through the U.S. Postal Service or a commercial carrier) your application to the Department. You must mail the original and two copies of your application, on or before the application deadline date, to the Department at the following address:

U.S. Department of Education
Application Control Center
Attention: (CFDA Numbers 84.385)
LBJ Basement Level 1
400 Maryland Avenue, SW.
Washington, DC 20202-4260

You must show proof of mailing consisting of one of the following:

- (1) A legibly dated U.S. Postal Service postmark.
- (2) A legible mail receipt with the date of mailing stamped by the U.S. Postal Service.
- (3) A dated shipping label, invoice, or receipt from a commercial carrier.
- (4) Any other proof of mailing acceptable to the Secretary of the U.S. Department of Education.

If you mail your application through the U.S. Postal Service, we do not accept either of the following as proof of mailing:

- (1) A private metered postmark.
- (2) A mail receipt that is not dated by the U.S. Postal Service.

If your application is postmarked after the application deadline date, we will not consider your application.

Note: The U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, you should check with your local post office.

c. Submission of Paper Applications by Hand Delivery.

If you qualify for an exception to the electronic submission requirement, you (or a courier service) may deliver your paper application to the Department by hand. You must deliver the original and two copies of your application, by hand, on or before the application deadline date, to the Department at the following address:

U.S. Department of Education
Application Control Center
Attention: (CFDA Number 84.385)
550 12th Street, SW.
Room 7041, Potomac Center Plaza
Washington, DC 20202-4260

The Application Control Center accepts hand deliveries daily between 8:00:00 a.m. and 4:30:00 p.m., Washington, DC time, except Saturdays, Sundays, and Federal holidays.

Note for Mail or Hand Delivery of Paper Applications: If you mail or hand deliver your application to the Department--

(1) You must indicate on the envelope and--if not provided by the Department--in Item 11 of the SF 424 the CFDA number, including suffix letter, if any, of the competition under which you are submitting your application; and

(2) The Application Control Center will mail to you a notification of receipt of your grant application. If you do not receive this grant notification within 15 business days from the application deadline date, you should call the U.S. Department of Education Application Control Center at (202) 245-6288.

V. Application Review Information

1. Selection Criteria: The selection criteria for this competition are from the notice of final priorities, requirements, definitions, and selection criteria, for this program, published elsewhere in this issue of the Federal Register.

The selection criteria are as follows. The maximum points assigned to each criterion are indicated in parentheses next to the criterion. Applicants may earn up to a total of 100 points.

(a) Need for the project (10 points). In determining the need for the proposed project, the Secretary will consider the extent to which the applicant establishes that--

(1) The high-need schools (as defined in this notice) whose educators would be part of the PBCS have difficulty--

(i) Recruiting highly qualified or effective teachers, particularly in hard-to-staff subjects or specialty areas, such as mathematics, science, English language acquisition, and special education; and

(ii) Retaining highly qualified or effective teachers and principals.

(2) Student achievement (as defined in this notice) in each of the schools whose educators would be part of the PBCS is lower than in what the applicant determines are comparable schools in the LEA, or another LEA in its State, in terms of key factors such as size, grade levels, and poverty levels; and

(3) A definition of what it considers a “comparable” school for the purposes of paragraph (2) of this selection criterion is established.

(b) Project design (60 points). The Secretary will consider the quality of the design of the proposed project. In determining the quality of the design of the proposed project, the Secretary will consider the extent to which the proposed PBCS--

(1) Is part of a proposed LEA or statewide strategy, as appropriate, for improving the process by which each participating LEA rewards teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) in high-need schools (as defined in this notice) based upon their effectiveness as determined in significant part by student growth (as defined in this notice). With regard to the effectiveness of teachers, principals, and other personnel, the Secretary will consider whether--

(i) The methodology the LEA or SEA proposes to use in its PBCS to determine the effectiveness of a school's teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) includes valid and reliable measures of student growth (as defined in this notice);

(ii) The participating LEA would use the proposed PBCS to provide performance awards to teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) that are of sufficient size to affect the behaviors of teacher, principal, and other personnel and their decisions as to whether to go to, or remain working in, the high-need school; and

(iii) The applicant provides a clear explanation of how teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools) are determined to be "effective" for the purposes of the proposed PBCS.

(2) Has the involvement and support of teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools), including input from teachers, and principals, and other personnel in the schools and LEAs to be served by the grant, and the involvement and support of unions in participating LEAs where they are the designated exclusive representatives for the purpose of collective bargaining that is needed to carry out the grant;

(3) Includes rigorous, transparent, and fair evaluation systems for teachers and principals that differentiate levels of effectiveness using multiple rating categories that take into account data on student growth (as defined in this notice) as a significant factor, as well as classroom observations conducted at least twice during the school year;

(4) Includes a data-management system, consistent with the LEA's proposed PBCS, that can link student achievement (as defined in this notice) data to teacher and principal payroll and human resources systems; and

(5) Incorporates high-quality professional development activities that increase the capacity of teachers and principals to raise student achievement (as defined in this notice) and are directly linked to the specific measures of teacher and principal effectiveness included in the PBCS.

(c) Adequacy of Support for the Proposed Project (25 points). In determining the adequacy of the support for the proposed project, the Secretary considers the extent to which--

(1) The management plan is likely to achieve the objectives of the proposed project on time and within budget, and includes clearly defined responsibilities and detailed timelines and milestones for accomplishing project tasks;

(2) The project director and other key personnel are qualified to carry out their responsibilities, and their time commitments are appropriate and adequate to implement the project effectively;

(3) The applicant will support the proposed project with funds provided under other Federal or State

programs and local financial or in-kind resources; and

(4) The requested grant amount and project costs are sufficient to attain project goals and reasonable in relation to the objectives and design of the project.

(d) Quality of Local Evaluation (5 points). In determining the quality of the local project evaluation, the Secretary considers the extent to which the applicant's evaluation plan--

(1) Includes the use of strong and measurable performance objectives (that are clearly related to the goals of the project) for raising student achievement (as defined in this notice), increasing the effectiveness of teachers, principals, and other personnel (in those sites in which the grantee wishes to expand the PBCS to additional staff in its schools), and retaining and recruiting effective teachers, principals, and other personnel;

(2) Will produce evaluation data that are quantitative and qualitative; and

(3) Includes adequate evaluation procedures for ensuring feedback and continuous improvement in the operation of the proposed project.

2. Review and Selection Process: The Department will screen applications submitted in accordance with the requirements in this notice, and will determine which applications are eligible to be read based on whether they have met eligibility and other statutory requirements.

The Department will use independent reviewers from various backgrounds and professions, including those with expertise in: evaluation, teacher quality, data management and analysis, differentiated pay, educational policy, teaching and/or school leadership. The Department will thoroughly screen all reviewers for conflicts of interest to ensure a fair and competitive review process.

Reviewers will read, prepare a written evaluation, and score the applications assigned to their panel, using the selection criteria provided in this notice.

Reviewers will review and score all applications on the following four criteria:

(a) Need for the project;

(b) Project design;

(c) Adequacy of support for the proposed project; and

(d) Quality of local evaluation.

If eligible applicants have chosen to address the competitive preference priorities, reviewers will review and score those competitive preference priorities as well. If points are awarded, those points will be added to the eligible applicant's score.

The Secretary will prepare a rank order of applications based solely on the evaluation of their quality according to the selection criteria. In accordance with 34 CFR 75.217(c)(3), the Secretary will make final awards after considering the rank ordering and other information, including an applicant's performance and use of funds and compliance history under a previous award under any Department program. In making awards under any future competitions, the Secretary will consider an applicant's past performance.

VI. Award Administration Information

1. Award Notices: If your application is successful, we notify your U.S. Representative and U.S. Senators and send you a Grant Award Notification (GAN). We may notify you informally, also.

If your application is not evaluated or not selected for funding, we notify you.

2. Administrative and National Policy Requirements: We identify administrative and national policy requirements in the application package and reference these and other requirements in the Applicable Regulations section of this notice.

We reference the regulations outlining the terms and conditions of an award in the Applicable Regulations section of this notice and include these and other specific conditions in the GAN. The GAN also incorporates your approved application as part of your binding commitments under the grant.

3. Reporting: At the end of the project period, you must submit a final performance report, including financial information, as directed by the Secretary. If you receive a multi-year award, you must submit an annual performance report that provides the most current performance and financial expenditure information as directed by the Secretary under 34 CFR 75.720(a) and (b). The Secretary may also require more frequent performance reports under 34 CFR. For specific requirements on reporting, please go to www.ed.gov/fund/grant/apply/appforms/appforms.html.

Funding for the 2010 TIF program has been made available through a combination of funds available under the Department's 2010 Appropriations Act and the American Recovery and Reinvestment Act of 2009 (ARRA). Grantees may receive funds from a combination or one of these sources. It is anticipated that grantees that wish to include other school personnel in addition to teachers and principals in their TIF-funded PBCSs will be funded through the FY 2010 appropriation funds. TIF Evaluation competition grantees, at a minimum, will receive funds through the ARRA provisions and therefore must also meet the reporting requirements that apply to all ARRA-funded programs. Specifically, under the ARRA, each grantee must submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by the Office of Management and Budget or the Department (ARRA division A, section 1512(c)).

In addition, for each year of the program, each grantee must submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes--

1. The uses of funds within the defined area of the proposed project;
2. How the applicant distributed the funds it received;
3. The number of jobs estimated to be saved or created with the funds; and
4. The project's progress in reducing inequities in the distribution of highly qualified teachers, implementing a longitudinal data system, and developing and implementing valid and reliable assessments for English learners and students with disabilities.

4. Performance Measures:

Pursuant to the Government Performance and Results Act of 1993, the Department has established the following performance measures that it will use to evaluate the overall effectiveness of the grantee's project, as well as the TIF program as a whole:

- (1) Changes in LEA personnel deployment practices, as measured by changes over time in the percentage of teachers and principals in high-need schools who have a record of effectiveness; and
- (2) Changes in teacher and principal compensation systems in participating LEAs, as measured by the percentage of an LEA's personnel budget that is used for performance-related payments to effective (as measured by student achievement gains) teachers and principals.

All grantees will be also expected to submit an annual performance report documenting their success in addressing these performance measures. The Department will use the applicant's performance data for program management and administration, in such areas as determining new and continuation funding and planning technical assistance.

VII. Agency Contact

For Further Information Contact: April Lee, U.S. Department of Education, 400 Maryland Avenue, SW., room 3E120, Washington, DC 20202. Telephone: (202) 205-5224, or by e-mail: TIF@ed.gov.

If you use a TDD, call the Federal Relay Service, toll free, at 1-800-877-8339.

VIII. Other Information

Accessible Format: Individuals with disabilities can obtain this document and a copy of the application package in an accessible format (e.g., braille, large print, audiotape, or computer diskette) on request to the program contact number or e-mail address listed under For Further Information Contact in section VII of this notice.

Electronic Access to This Document: You can view this document, as well as all other documents of this Department published in the Federal Register, in text or Adobe Portable Document Format (PDF) on the Internet at the following site: www.ed.gov/news/fedregister. To use PDF you must have Adobe Acrobat Reader, which is available free at this site.

Note: The official version of this document is the document published in the Federal Register. Free Internet access to the official edition of the Federal Register and the Code of Federal Regulations is available on GPO Access at: www.gpoaccess.gov/nara/index.html.

Dated:

Thelma Meléndez de Santa Ana,
Assistant Secretary for
Elementary and Secondary Education.