

Teacher Incentive Fund

Frequently Asked Questions
For the 2012 Competitions and Grant Awards



U.S. Department of Education
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Purpose of the Guidance

The purpose of this guidance is to provide information about the Teacher Incentive Fund (TIF) program. This guidance provides the U.S. Department of Education's interpretation of various statutory provisions in the Department of Education Appropriations Act, 2012 (Division F, Title III of Pub. L. 112-74) as well as other requirements governing the fiscal year (FY) 2012 TIF program competitions. This guidance does not impose any requirements beyond those included in that statute, the TIF notice of final priorities, requirements, definitions, and selection criteria (NFP) published in the *Federal Register* on June 14, 2012, and other applicable laws and regulations. In addition, this guidance does not create any rights for or confer any rights on any person.

The Department will provide additional or updated program guidance, as necessary, on its TIF web site, <http://www2.ed.gov/programs/teacherincentive/applicant.html>. If you have further questions that are not answered here, please email TIF4@ed.gov.

If you are interested in commenting on this guidance, please e-mail us your comment at TIF4@ed.gov or write to us at the following address: U.S. Department of Education, Office of Elementary and Secondary Education, 400 Maryland Ave., S.W., Room 3E245, Washington, DC 20202-5900.

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A. Eligibility

A-1. What is the basis for the eligibility rules that govern whether an entity may apply for, and receive, a grant through the FY 2012 TIF competitions?

The eligibility rules are based on TIF's authorizing legislation and the Notice of Final Priorities, Requirements, Definitions and Selection Criteria (NFP). The TIF authorizing legislation enumerates the types of entities that are eligible to apply for a TIF grant, and the NFP clarifies these eligibility rules. The authorizing legislation also establishes certain required TIF project features, and the NFP elaborates upon and clarifies these statutory requirements. For the convenience of applicants, we restate the final priorities, requirements, definitions and selection criteria established in the NFP in the Notice Inviting Applications (NIA) for the two FY 2012 TIF competitions, and in these FAQs refer to the final priorities, requirements, definitions and selection criteria as those stated in the NIA.

An applicant that is eligible to apply to the FY 2012 TIF competitions based on its entity classification (e.g., the applicant is a local educational agency (LEA) or nonprofit organization) would not be considered for funding if the Department finds that it fails to meet an absolute priority or a requirement set forth in the NIA. For this reason, we strongly encourage each applicant to respond carefully and fully to each absolute priority that applies to the respective competitions and to each requirement.

A-2. What entities are eligible to apply for a TIF grant?

Eligible applicants for an FY 2012 TIF grant are:

- (a) State educational agencies (SEAs) that apply with one or more LEAs;
- (b) LEAs, including charter schools that are considered LEAs in their State; and
- (c) Nonprofit organizations that apply in partnership with (i) one or more LEAs; or (ii) one or more LEAs *and* an SEA.

Under paragraph (c) of Requirement 4 of the NIA, SEAs are required to apply with at least one LEA located in the same State as the SEA. Thus, an SEA must always apply as part of a group application (i.e., an application involving two or more eligible entities). (See A-4.)

Similarly, a nonprofit organization must always apply as part of a group application (i.e., an application involving two or more eligible entities). Under the TIF authorizing statute, a nonprofit organization must always apply as part of a partnership involving one or more LEAs or one or more SEAs, or both. Requirement 4 further affects the eligibility of nonprofit organizations: Because SEAs must apply with one or more LEAs under paragraph (c) of Requirement 4, a nonprofit organization must always apply with at least one LEA (i.e., it must apply with one or more LEAs or

it must apply with one or more SEAs *and* at least one LEA located in the same state as each of those SEAs). (See A-4.)

The only eligible entity that may apply as a single applicant (i.e., that does not have to be part of a group application) is an LEA.

A-3. Are intermediary units that are considered LEAs under State law eligible to apply?

Yes. However, if the intermediary unit does not itself develop and implement educator evaluation systems and a related human capital management system (HCMS) for all teachers and principals who work in the LEAs in which the TIF project would focus, it would need to apply as a group applicant with at least one LEA that does develop and implement such systems. (See A-4.) In this case the focus of the project would be on assisting the LEA(s) that would be implementing the educator evaluation systems and related HCMS (including the LEA's PBCS).

A-4. What is a group application?

A group application is an application from two or more eligible entities. Such an application may be any of the following:

- Any application from two or more LEAs.
- Any application that includes one or more SEAs. (Because, under Requirement 4, an SEA must apply with one or more LEAs, an SEA must always apply as part of a group application that also involves at least one LEA.)
- Any application that includes a nonprofit organization. (Because, under Requirement 4 and the TIF statute, a nonprofit organization may apply only with one or more LEAs or with one or more LEAs and an SEA, a nonprofit organization must always apply as part of a group application.)

Group applicants should thoroughly review the special requirements that apply to group applications. See Requirement 4 of the NIA and Appendix I of this document.

A-5. What is the difference between a group application and a partnership application?

The TIF authorizing statute refers to partnerships in speaking of group applications that include a nonprofit organization as one of the partners. Thus, a partnership application is a special type of group application that has a nonprofit organization as one of its members. Partnership applications must follow the same application rules as all other group applications.

A-6. Are there limits on the number of entities that may participate in a group application, including a partnership application?

There are no limits on the number of SEAs, LEAs, or nonprofit organizations that may participate in a group application, including a partnership application.

A-7. When a group application involves an SEA, must all members of the group be from the same State?

Under Requirement 4 of the NIA, an applicant that is an SEA must apply for a grant as part of a group application that includes one or more LEAs from the same State as the SEA. However, a nonprofit organization that is not from the same State may also be a member of such a group application.

A-8. Must an LEA have high-need schools in order to be eligible to receive a TIF grant?

Yes. Under Requirement 3(a), the LEA must list in its application each high-need school in which it will implement the TIF-funded PBCS. Thus, if an LEA has no high-need schools, it cannot satisfy Requirement 3(a). Failure to meet the requirements of any absolute priority or requirement makes the applicant ineligible, on its own or as part of a group, for funding through the FY 2012 competitions.

A-9. Is a current TIF grantee eligible to apply for a new TIF grant award in the FY 2012 competitions?

Under Requirement 7, a current TIF grantee that is otherwise an eligible entity (see A-2) may apply for FY 2012 TIF funds if its application provides an assurance that, if successful, the grantee will use such grant funds only to implement the PBCS and provide professional development in the high-need schools that are not served, as of the beginning of the FY 2012 project period or later, by an existing TIF grant. Thus, for example, if a current LEA grantee will be using current grant funds to provide a PBCS in all of its high-need schools when the FY 2012 grant period begins or later, it would not be eligible to receive a new award in the FY 2012 competitions.

A-10. Are private schools eligible to apply for a TIF grant?

No. TIF's authorizing legislation does not include private schools as eligible applicants.

A-11. May an eligible entity apply as part of more than one application?

It depends. See N-2.

A-12. May an LEA within a State whose SEA is applying for a TIF grant apply independently of its SEA? If so, will the SEA's application be given priority over the LEA's application?

An LEA is eligible to apply for a TIF grant separately from its SEA. In a State with LEA 1 and LEA 2, for example, the SEA may choose to submit a group application that includes LEA 1 but not LEA 2. In this case, LEA 2 would be free to apply on its own or as part of a different group application.

The Secretary will provide awards to eligible entities based on the recommendations of peer reviewers who will use the selection criteria described in the NIA to score the applications. One type of eligible entity (e.g., an SEA) will not be given priority over another (e.g., an LEA) during the application review process on the basis of its eligibility category. (See Q-2.)

B. The Performance-Based Compensation System (PBCS)

B-1. What parts of the NIA should an applicant review to understand how to design its PBCS and how it will be evaluated?

Several parts of the NIA provide information that an applicant may want to consider in designing its PBCS. The priorities, requirements, and definitions in the NIA are designed to ensure that any proposed PBCS will be successful and sustainable. More specifically, the following sections are particularly relevant to PBCS design:

- Absolute Priority 1 addresses how the PBCS must be aligned with other parts of an LEA's HCMS. It also sets forth the timeline by which the PBCS must be implemented in the high-need schools participating in the project.
- Absolute Priority 2 addresses the design of the evaluation systems that will generate the overall evaluation ratings on which the additional compensation of the PBCS must be based. It also sets forth the timeline by which these evaluation systems must be implemented.
- Requirement 1 requires an applicant to describe its proposed PBCS, and that description must conform to the PBCS definition set forth in the NIA.
- The PBCS definition sets forth two basic design models, which are discussed more fully below, from which each applicant must choose in designing its own proposed PBCS. Each applicant must describe a PBCS that incorporates each mandatory component of the design model the applicant chooses. Additionally, the PBCS definition sets forth optional components that an applicant may incorporate into its proposed PBCS.

B-2. Are there certain mandatory components of an applicant's proposed PBCS?

Yes. The term "PBCS" is defined in the NIA to include both mandatory components and optional components. We encourage each applicant to carefully review that definition. Any proposed PBCS must contain, at a minimum, the mandatory components set forth in the PBCS definition.

Generally, any PBCS must provide performance-based compensation to both teachers and principals, and these teachers and principals, to be eligible for the compensation, must have an overall evaluation rating of effective or higher under the evaluation systems set forth in the application. Also, the PBCS must offer "additional responsibilities and leadership roles," as defined in the NIA, to teachers. Beyond these mandatory components of the PBCS, an applicant is free to incorporate other optional components, which are described in B-6 through B-8.

The Department is giving applicants a choice between one of two basic PBCS design models. Both models incorporate the mandatory components set forth in the prior paragraphs.

The mandatory components of the two basic PBCS models are set forth in the table below and are more fully described in B-3 and B-4:

<u>Design Model</u>	<u>Mandatory Components</u>
<p style="text-align: center;">1*</p> <p>*Corresponds to paragraph (a)(1) of the PBCS definition</p>	<p>Proposed PBCS provides both of the following:</p> <p>(1) Additional compensation for <u>teachers and principals</u> who receive an overall rating of effective or higher under the evaluation systems described in the application.</p> <p>(2) Of those teachers and principals eligible for compensation under paragraph (1), additional compensation for <u>teachers and, at the applicant’s discretion, for principals</u>, who take on <u>additional responsibilities and leadership roles</u> (as defined in the NIA).</p>
<p style="text-align: center;">2*</p> <p>*Corresponds to paragraph (a)(2) of the PBCS definition</p>	<p>Proposed PBCS provides both of the following:</p> <p>(1) Additional compensation for <u>teachers</u> who receive an overall rating of effective or higher under the evaluation system described in the application and who take on <u>career ladder positions</u> (as defined in the NIA).</p> <p>(2) Additional compensation for one or both of the following:</p> <p style="padding-left: 40px;">(A) <u>Principals</u> who receive an overall rating of effective or higher under the evaluation system described in the application, or</p> <p style="padding-left: 40px;">(B) <u>Principals</u> who receive an overall rating of effective or higher under the evaluation system described in the application and who take on <u>additional responsibilities and leadership roles</u> (as defined in the NIA).</p>

B-3. What are the mandatory components of PBCS Design Model 1?

Under Design Model 1, a PBCS must provide additional compensation to teachers and principals who have an overall rating of effective or higher under the evaluation systems described in the application. Thus, this design model includes performance-based compensation that rewards teachers and principals for their effectiveness alone.

Additionally, under Design Model 1, the PBCS must provide performance-based compensation to teachers rated effective or higher who agree to take on “additional responsibilities and leadership roles,” as defined in the NIA. The NIA definition indicates that such additional responsibilities and leadership roles may include career ladder positions, but the term also covers a variety of other responsibilities and roles. The term includes any meaningful school-based responsibilities that a teacher voluntarily accepts “to strengthen instruction or instructional leadership in a systemic way, such as additional responsibilities related to lesson study, professional development, and peer evaluation, and may also include career ladder positions.”

Under Design Model 1, the PBCS may also provide additional compensation to effective principals who agree to take on additional responsibilities and leadership roles (such as a position in which a principal rated effective or higher coaches a novice principal), but this feature related to principals is not a mandatory component of this design model.

One example of a PBCS that meets the definition of Design Model 1 is a PBCS that provides a stipend for all teachers and principals who are deemed effective or higher. This PBCS does not include compensation for career ladder positions, but it does offer compensation for teachers who take on additional responsibilities and leadership roles by providing special stipends for teachers who agree to observe their peers for evaluative purposes.

B-4. What are the mandatory components of PBCS Design Model 2?

Under Design Model 2, a PBCS must provide additional compensation to teachers who meet two criteria: First, the teachers must have received an overall rating of effective or higher under the evaluation system described in the application. Second, these teachers must agree to take on career ladder positions. These “career ladder” positions are defined in the NIA.

Additionally, because any PBCS must provide performance-based compensation for principals, the PBCS must incorporate one of two components related to principals: It must provide additional compensation for principals who have received an overall rating of effective or higher under the evaluation system described in the application OR it must provide additional compensation for principals who have received an overall rating of effective or higher under the evaluation system described in the application and who agree to take on additional responsibilities and leadership roles, as defined in the NIA.

This design model might be the preferred choice for an applicant that wishes to offer a more targeted PBCS for teachers. Unlike Design Model 1, Design Model 2 would not reward teachers solely based on their overall effectiveness rating. Instead, to receive any performance-based compensation, teachers would need to both receive an overall rating of effective or higher under the evaluation system described in the application and voluntarily accept a career ladder position.

One example of a PBCS that meets the definition of Design Model 2 is a PBCS that provides compensation to teachers who are deemed effective or higher only if they also agree to take on a

career ladder position, such as mentor teacher or instructional coach. In addition, this PBCS would provide compensation to principals who are deemed effective or higher.

B-5. In the case of a group application involving two or more LEAs, must each LEA adopt the same PBCS design model?

No.

B-6. In addition to the mandatory components, does an applicant have discretion to add optional components to the design of the proposed PBCS?

Yes. In addition to choosing one of the two design models described above, an applicant, at its discretion, may include as part of its proposed PBCS two optional components that are set forth in the PBCS definition in the NIA. These include what might be called a “recruitment” component and a component for “other personnel.” These optional components are discussed below.

An applicant may not use TIF funds to support PBCS components other than those that are described in the two design models or the optional components identified in the PBCS definition.

B-7. How does the first optional PBCS component address educator recruitment in high-need schools?

At its discretion, an LEA may offer additional compensation to recruit teachers or principals who have received an overall rating of effective or higher (1) under the evaluation systems described in the application or (2) under comparable evaluation systems in another LEA where the teachers or principals agree to transfer to a high-need school of the LEA participating in the TIF project. Such a recruitment incentive might be an important component of an LEA's strategy to attract effective teachers to its high-need schools.

This performance-based recruitment award may be offered to an educator who is currently working in the LEA but not in a high-need school so long as the award is tied to the educator's transfer to a high-need school. This recruitment award may also be offered to an educator who is working outside the LEA so long as the educator agrees to transfer to a high-need school within the LEA and the educator has been deemed effective or higher under an evaluation system that is comparable to that used by the LEA, as described in the application. To be comparable, the evaluation system must, at a minimum, generate an overall rating that is based on two or more observations each year, student growth, in significant part, and other factors determined by the LEA.

Under Requirement 6, TIF funds can be used to support this optional PBCS component only when the effective educator transfers to a high-need school listed in the application in response to Requirement 3(a).

B-8. How does the second optional component reward “other personnel”?

At its discretion, an LEA may provide additional compensation to school-based personnel who fall into the "other personnel" category. This term is defined in the NIA to mean any school-based staff members who are not serving in a teacher or principal position. This term may include, for example, school counselors, media specialists, or para-educators.

An applicant that wishes to include "other personnel" within its PBCS must have performance standards that will determine these staff members' eligibility for a performance award. Their eligibility must be based, in significant part, on student growth, which may be measured at the whole-school level.

B-9. Must an LEA implement its PBCS in all of its high-need schools?

No. An LEA is required to implement its PBCS only in the high-need schools it identifies in its application in response to Requirement 3(a). The high-need schools identified in response to Requirement 3(a) may be only a portion of all the high-need schools in the LEA. (See Section L.)

B-10. Must the proposed PBCS operate in each of the high-need schools identified in response to Requirement 3(a) in the application?

Yes.

B-11. How much additional compensation must the TIF-funded PBCS provide teachers, principals, and other personnel?

Applicants have wide discretion, with some specific restrictions related to compensation for career ladder positions, in setting the dollar amounts of additional compensation for their TIF-funded PBCS. In setting these amounts, applicants should consider what amounts are needed to attract and retain educators in high-need schools, an essential purpose of the TIF program. Under Selection Criterion (a)(2)(v) and Selection Criterion (g)(1), reviewers will score applications based, in part, on the adequacy of the incentives in serving this purpose. (See R-4, X-1, and X-2.)

Applicants should also consider whether the proposed amount of additional compensation will be sustainable beyond the grant’s project period and explain the sources of funds that the LEA(s) will use to ensure their sustainability. Under Selection Criterion (f), reviewers will score applications based on the sustainability of the PBCS beyond the grant’s project period. (See W-1.)

Applicants should also review the guidelines and any restrictions on the use of TIF funds to support the PBCS as discussed in Requirement 6 of the NIA. (See Section O.)

B-12. Are there restrictions on the use of TIF funds for the additional compensation provided under a proposed PBCS?

Yes. (See O-1, O-6, O-7, O-8.)

B-13. Are there restrictions on the amount of additional compensation that LEAs may provide teachers in career ladder positions or teachers who assume other types of additional roles and responsibilities under a TIF-supported PBCS?

Yes. (See O-8.)

B-14. If a PBCS offers additional compensation for career ladder positions, must a teacher's eligibility for such a position be based on his or her overall rating as a teacher or as an instructional leader?

It depends on the teacher's role at the time of the most recent evaluation. The most recent overall evaluation rating would determine whether the teacher is eligible for a TIF-funded career ladder position. If the teacher is serving as a classroom teacher at the time the performance evaluation takes place, the LEA would use the evaluation rubric the LEA has developed for classroom teachers. If the teacher is serving in a career ladder position (e.g., master teacher) that has no regular instructional responsibilities at the time of evaluation, the LEA would use the evaluation rubric it has developed for teachers in that special role. If a teacher serves in a career ladder position but has some regular instructional responsibilities, the LEA would use the evaluation rubric that is most relevant to the teacher's primary responsibilities.

B-15. If an applicant chooses Design Model 1 as its basic PBCS model, must it propose to make every teacher who receives an overall rating of effective or higher eligible for TIF-supported performance-based compensation?

No. The scope of teachers eligible for TIF-supported awards through the LEA's PBCS in high-need schools is within the applicant's discretion. In designing its PBCS under Design Model 1, an LEA may decide to offer performance-based compensation only to teachers in identified high-need schools who teach certain grade levels or content areas. For example, an LEA may decide to make additional compensation available only to fourth and fifth grade teachers who receive an overall rating of effective or higher; teachers in all other grades would be ineligible for any award under this TIF-supported PBCS.

The Department encourages each applicant to consider various factors when designing the scope of the PBCS. These factors might include the goals the LEA is trying to meet with its PBCS, the effect of the PBCS design on staff morale, and the sustainability of the PBCS once the grant's project period ends. The scope of the PBCS is also relevant to Selection Criterion (a)(2)(v). (See R-4.)

B-16. Absolute Priority 3 requires an applicant to include a plan to develop a corps of STEM master teachers. Will these master teachers be a part of the LEA's PBCS?

Yes. These master teachers would satisfy each PBCS design model's requirement for

additional compensation for teachers who take on additional responsibilities and leadership roles (including career ladder positions under Design Model 2). At an applicant's discretion, the PBCS may also provide additional compensation for effective non-STEM teachers who take on additional responsibilities and leadership roles.

In addition to including STEM master teachers in its PBCS as part of the additional responsibilities and leadership roles requirement, an applicant using Design Model 1 must also award additional compensation to teachers and principals based on their effectiveness alone. As stated in B-15, an applicant has wide discretion in designing the scope of its PBCS. Consequently, an applicant may design its PBCS to provide the additional compensation based on effectiveness alone (rather than the additional compensation that also requires the effective teacher to take on additional responsibilities and leadership roles) to STEM teachers only. Alternatively, it may design its PBCS to provide such additional compensation to all teachers who earn an overall evaluation rating of effective or higher.

In addition to including STEM master teachers in its PBCS, an applicant using Design Model 2 must also include in its PBCS additional compensation for either effective principals or effective principals who take on additional responsibilities or leadership roles. (See B-4.)

B-17. Competitive Preference Priority 5 requires an applicant to propose a salary schedule based on overall evaluation ratings as part of its plan for implementing its proposed PBCS. Can an applicant receive the competitive preference points under this priority regardless of whether it chooses Design Model 1 or Design Model 2?

Yes. (See Section H.)

B-18. May an applicant design a PBCS in which compensation to effective educators is in the form of non-financial incentives or rewards?

No. The definition of a PBCS in the NIA requires that applicants propose to provide additional compensation to effective educators. Consistent with the word's common usage, the word "compensation" refers to financial compensation, along with any associated fringe benefits an applicant may propose. Although an applicant may propose to provide non-financial rewards to recognize its effective educators or to improve staff morale, these rewards would not be part of the PBCS the LEA establishes under the TIF program, and TIF funds may not be used to support these costs.

C. The Priorities

C-1. What is the difference between absolute and competitive preference priorities and how do absolute priorities relate to funding eligibility?

Absolute priorities are requirements of the competitions and the program. An applicant must meet all of the absolute priorities of the competition to which it applies in order to be eligible for funding under that competition. Points are not awarded for absolute priorities; rather, applications that do not meet one or more of the absolute priorities will not be considered for funding. See 34 CFR 75.105.

Competitive preference priorities are not requirements; (i.e., applicants do not need to address them to be considered for funding). For both the General TIF Competition and the TIF Competition with a Focus on STEM, applications that meet one or more competitive preference priorities will be awarded additional points. See section 75.105 of the Education Department General Administrative Regulations (EDGAR) (34 C.F.R. § 75.105).

D. Absolute Priority 1--An LEA-Wide Human Capital Management System (HCMS) With Educator Evaluation Systems at the Center

D-1. May an applicant apply if it does not have an LEA-wide HCMS at the time of application?

The Department believes that every LEA has a system in place for making hiring and related personnel decisions. Although an LEA may not refer to this system as its "HCMS," and this system may be less coherent than others, it is an HCMS nonetheless. Thus, each LEA has some form of an HCMS, and each applicant should be able to describe the HCMS of its participating LEA or LEAs, as the HCMS exists currently and with any modifications to the HCMS that the applicant proposes to implement during the project period of the grant.

D-2. In the case of a group application, must the application describe the HCMS for each LEA that is part of the group application?

Yes. By definition, an HCMS is a system that an LEA uses to make decisions about its workforce. Consequently, if there is more than one LEA participating in a group application, the application must describe the key features of the HCMS of each participating LEA. If certain features of the participating LEAs' HCMSs are the same, the application may so state without providing repetitive descriptions of those common features for each LEA.

D-3. How may an applicant respond to the requirement in Absolute Priority 1 that the applicant describe how the HCMS is, or will be, aligned with each LEA's vision of instructional improvement?

The Department has not prescribed a single manner in which an applicant must respond to this component of Absolute Priority 1. One reasonable approach would be for an applicant to provide a narrative that describes each participating LEA's vision of instructional improvement. The narrative could also include descriptions of the various ways in which each LEA's HCMS is, or will be, aligned with its vision. Below are a few examples (among many) that provide a general idea of what these descriptions might address:

- The application narrative could include examples of how an LEA’s teacher evaluation system evaluates teachers on the key instructional competencies described in the LEA’s vision of instructional improvement. It could also include examples of how the principal evaluation system evaluates principals on their understanding and promotion of these competencies.
- The application narrative could describe how an LEA aligns its vision of instructional improvement with its hiring and recruitment practices for high-need schools. For example, the applicant could describe how an LEA looks for evidence of certain key competencies during the process of interviewing and hiring staff. The applicant could describe how it shares these competencies with the local college of education to ensure that these competencies are embedded in the teacher preparation programs offered by the college.
- The application narrative could also explain how an LEA aligns its vision of instructional improvement with its professional development systems, including its plans for providing professional development through a TIF-supported career ladder program. For example, if the vision of instructional improvement stresses the need for teachers to use formative assessment data to drive instruction, the applicant may want to describe its plan for training master teachers to facilitate data discussions during the job-embedded professional development process.

D-4. Must an LEA’s HCMS be fully aligned with its instructional vision at the time of application?

No. If a participating LEA plans to modify its HCMS to increase the alignment during the grant’s project period, the application should clearly indicate the elements of the HCMS that are already in place and those that are planned. Under paragraph (4) of Absolute Priority 1, the application must describe the timeline for the development and implementation of the proposed elements.

D-5. How may an applicant respond to the requirement in Absolute Priority 1 that the applicant describe how each participating LEA uses, or will use, information generated by the educator evaluation systems to inform key human capital decisions?

The Department has not prescribed a single manner in which an applicant must respond to this part of Absolute Priority 1. Consistent with Selection Criterion (a)(1), however, an applicant might respond along two dimensions: First, it could list the various human capital decisions -- examples of which are in the Priority itself -- for which the evaluation results are, or will be, relevant. Second, it could explain the significance, or weight, of the evaluation results in the human capital decision making process.

At a minimum, Absolute Priority 1 requires applicants to use evaluation results, including the overall evaluation rating, to inform the TIF-supported PBCS and professional development. Thus, an applicant must describe how each participating LEA’s HCMS provides, or will provide,

performance-based compensation to teachers or principals based on their evaluation results. This description should include information about the number of schools in which the PBCS will operate. If the PBCS is, or will be, limited to the high-need schools listed in the application in response to Requirement 3(a), the applicant can simply state this fact and reference that section of the application.

Similarly, an applicant must describe how each participating LEA uses, or will use, evaluation results to identify educators who need additional professional development to increase their effectiveness. If an LEA has, or plans to have, a process in place to monitor whether a teacher or principal's evaluation results improve over time, this process, including the procedures that apply when improvement does not occur, should also be described.

If an LEA recruits, or plans to recruit, only effective and highly effective teachers to teach in high-need schools, the applicant could describe how this recruitment and placement program works or will work. For example, the applicant might describe how it will use evaluation results to identify strong candidates for recruitment and the steps it will take to contact these educators and interest them in transferring to a high-need school.

D-6. What if an LEA either does not currently use educator evaluation results to inform key human capital decisions or uses them now only to a limited degree but plans to expand the use of these results in making human capital decisions in the future?

The application must indicate which policies and procedures, if any, are already in place and which are planned. For those that will be implemented during the grant's project period, the application must describe these future policies and procedures and the timetable for their development and implementation. We also recommend that applicants consider addressing any obstacles to their implementation and development.

D-7. How can an applicant respond to the requirement in Absolute Priority 1 that the applicant describe the human capital strategies the LEA uses, or will use, to ensure that high-need schools are able to attract and retain effective educators?

The Department has not prescribed a single manner in which an applicant must respond to this part of Absolute Priority 1. One approach would be for an applicant to describe, in narrative form, the strategies it has, or plans to adopt, to attract and retain effective educators in high-need schools. An LEA should describe how its PBCS will recognize and reward effective educators who take on the challenge of working in high-need schools. Examples of strategies that an applicant might describe are:

- Extra resources for teachers who provide intervention services for students in high-need schools.
- Special instructional schedules to give teachers in high-need schools additional time for planning and interaction with colleagues within a professional learning community.

- Extra administrative staffing to give principals in high-need schools more time to serve as instructional leaders.

An applicant should describe each significant strategy that it proposes to implement regardless of whether TIF funds will be used to support the strategy. In the high-need schools identified in the application in response to Requirement 3(a), TIF funds can be used to support the costs of the PBCS and the other activities that support the PBCS, such as professional development. (See Section O.) TIF-supported strategies, such as the PBCS, combined with the strategies supported with non-TIF funds, are all relevant to whether an LEA's strategies for attracting and retaining effective educators in high-need schools are adequate. (See R-4 and X-2.)

D-8. What if an LEA either does not currently have special strategies to attract and retain effective educators in high-need schools or has such strategies only to a limited degree and plans to develop additional strategies in the future?

The application must describe the LEA's current strategies and those it plans to implement during the grant's project period. For those that will be implemented during the grant's project period, the application must describe the timeline for their development and implementation.

D-9. How might an applicant prepare a timeline to meet the requirements of Absolute Priority 1?

The Department has not prescribed a specific format for the presentation in the application of the timeline required under Absolute Priority 1. However, Absolute Priority 1 sets a deadline by which certain features of an HCMS must be in place, and these deadlines must be reflected in the proposed timeline.

The Department also recommends that each applicant include, as part of any timeline, the key dates or time periods by which intermediate steps toward full implementation of described features will occur. For example, an applicant LEA may plan to use evaluation results in an aggressive campaign to recruit effective and highly effective educators to high-need schools. The applicant should include a timeline that indicates when the LEA plans to implement this recruitment strategy (e.g., each year during the months of February through May beginning in year 2 of the grant's project period). The applicant may also wish to include, as part of its timeline, the dates or time periods for completion of important intermediate steps, such as selection of a recruitment strategy management team and implementation of a recruitment strategy communication plan.

E. Absolute Priority 2--LEA-Wide Educator Evaluation Systems Based, in Significant Part, on Student Growth

E-1. What does the term “educator evaluation systems” mean?

For purposes of the FY 2012 TIF competitions, “educator evaluation systems” are the systems an LEA uses to give an official performance rating to its teachers and principals. As defined in the NIA, the term “educators” means teachers and principals.

The Department anticipates that each LEA will have at least two educator evaluation systems: one for teachers and one for principals. It may have three or more systems depending on whether it creates separate systems for different categories of teachers or administrators.

E-2. What is the meaning of the term “LEA-wide” in the context of the term “LEA-wide educator evaluation systems”?

To be LEA-wide, the educator evaluation systems, in aggregate, must generate an overall performance rating for each “teacher” and “principal” (as those terms are defined in the NIA) employed by the LEA. Thus, as stated in paragraph (4) of Absolute Priority 2, by the beginning of year 3 of the grant’s project period, a successful applicant must evaluate each of the LEA’s teachers and principals using evaluation systems that meet the requirements of the Priority.

E-3. To meet Absolute Priority 2, must an LEA’s educator evaluation systems contain certain mandatory features?

Yes. Under Absolute Priority 2 an applicant must describe the proposed educator evaluation systems and its plan for implementing these systems. An LEA’s educator evaluation systems, as described in the application, must contain each of the basic parameters bulleted below to meet Absolute Priority 2. If an applicant describes a plan for developing and implementing educator evaluation systems that do not contain each of these basic parameters, the applicant will not meet Absolute Priority 2 and will, therefore, be ineligible to receive FY 2012 TIF funds:

- The LEA’s evaluation systems must evaluate every teacher and principal in the LEA at least annually.
- The evaluation rubric for both teachers and principals must contain at least three performance levels (e.g., not effective, developing, effective, and highly effective).
- The evaluation rubric for both teachers and principals must include 1) two or more observations during each evaluation period, 2) student growth, and 3) additional factors determined by the LEA.
- The student growth component of the evaluation rubric must include student growth at the classroom level for teachers with regular instructional responsibilities. For teachers without regular instructional responsibilities, the student growth component may be measured at the grade, school, or other appropriate level.
- The evaluation systems must generate, for each educator evaluated, a single overall evaluation rating that is based, in significant part, on student growth. In the case of

teachers with regular instructional responsibilities, the overall rating must be based, in significant part, on student growth at the classroom level.

To meet Absolute Priority 2, applicants must also present their timeline for implementing their proposed evaluation systems. (See E-17.)

E-4. What events should be observed as part of the observation component of the evaluation rubric for teachers?

For evaluating a teacher with regular instructional responsibilities, the observation component will normally involve observing a teacher engaged in classroom instruction. However, the events observed to evaluate teachers with specialized instructional responsibilities may be tailored to those specialized responsibilities. For example, an LEA may choose to observe a special education teacher providing intensive individual or small group instruction if that kind of instruction is a typical and important part of that teacher's responsibilities. Similarly, an LEA may forgo altogether an observation of student instruction in the case of a teacher who has no regular instructional responsibilities, such as a reading specialist or a master teacher in a career ladder position. In the case of a reading specialist, for example, an LEA may choose to observe the reading specialist leading a data discussion with a team of teachers who are monitoring their students' reading progress.

E-5. What events should be observed as part of the observation component of the evaluation rubric for principals?

To evaluate principals, LEAs may focus the observation component of the evaluation rubric on important events that, during the course of a school year, principals are routinely responsible for leading or facilitating. In choosing the events to observe, an LEA should consider which events will allow an observer to measure a principal's practice in areas that are critical to effective school leadership. Depending on an LEA's vision of instructional improvement, these events might be a school leadership team meeting, a professional development session, or a post-observation conference with a teacher.

As part of selecting the events to observe, an LEA should consider which indicators of effective principal practice will be observable at each identified event. Every indicator of effective principal practice will not be observable during a single event. On the other hand, certain events lend themselves to the observation of a handful of indicators, which could be the focus of the observation. For example, an observation of a principal's practice when participating in a post-observation conference with a teacher might focus on several instructional leadership indicators.

E-6. Should an applicant describe how it will ensure inter-rater reliability for purposes of observation scoring?

Under Selection Criterion (b)(3), reviewers will evaluate the extent to which the observation component of the evaluation systems have been developed to ensure inter-rater

reliability. Consequently, the Department encourages applicants to describe how they will train observers to evaluate an educator’s practice using the prescribed indicators in a consistent way. This training should help observers understand the behaviors and competencies associated with each performance level.

E-7. How are LEAs to measure student growth for the student growth component of the LEA-wide educator evaluation systems?

Absolute Priority 2 provides that the evaluation rubric for teachers and principals must include student growth. This means that every educator must be evaluated based, in part, on student achievement outcomes in addition to practice.

The definition of “student growth” in the NIA gives LEAs some discretion in how it is measured. There are numerous approaches to calculating growth in student achievement, and an LEA is free to choose its preferred approach so long as that approach is consistent with the “student growth” definition and other provisions of the NIA, including:

- The growth measure must be based on the change in student achievement for an individual student between two or more points in time.
- For grades and subjects in which assessments are required under section 1111(b)(3) of the Elementary and Secondary Education Act of 1965, as amended (ESEA), student achievement must be based on a student’s scores on such assessments and may include other measures that are rigorous and comparable across schools in the LEA. Thus, the evaluation of teachers who teach fifth grade math, for example, must be based, in part, on student achievement on the fifth grade math assessment required under ESEA. The evaluation of these teachers may also be based, in part, on student growth on other rigorous measures.
- For grades and subjects in which assessments are not required under section 1111(b)(3) of ESEA, LEAs have discretion in choosing the alternative measures to use for measuring student achievement in the content areas taught. According to the definition of “student growth” in the NIA, these measures may include pre-tests, end-of-course tests, and objective, performance-based assessments. These may also include student learning objectives and student performance on English language proficiency assessments. Consistent with the NIA definition, these alternative measures must be “rigorous and comparable across schools within an LEA.”
- Under Absolute Priority 2, student growth must be measured “at the classroom level” for teachers with regular instructional responsibilities. This requirement is more fully discussed in E-9 below.

E-8. How will an LEA measure student growth for purposes of evaluating a teacher who does not teach a subject and grade that is tested under section 1111(b)(3) of ESEA?

As discussed in the preceding section, applicants should carefully review Absolute Priority 2 and the “student growth” definition to understand the rules that govern the student growth

component of the teacher evaluation systems. If a teacher has regular instructional responsibilities, student growth must be measured at the classroom level. This means that a music teacher, for example, must be evaluated based on the achievement growth of the students in her classroom. The student growth definition indicates that LEAs may adopt a variety of approaches to generate classroom-level student growth data for music teachers and other teachers who teach subjects that are not tested under ESEA. One approach would be to develop pre-tests and post-tests that assess student skill and knowledge in the content area. LEAs can give the pre-tests in the fall and the post-tests in the spring. Alternatively, LEAs may wish to develop student learning objectives in some subjects and grades.

E-9. What does it mean to measure student growth at the classroom level for teachers with regular instructional responsibilities?

Paragraph (2)(ii) of Absolute Priority 2 requires measuring student growth at the classroom level for teachers with regular instructional responsibilities. This means that teachers with regular instructional responsibilities must be evaluated based, in significant part, on the growth of the students they teach as opposed to the growth of students in the entire grade or school.

In the FY 2012 TIF competitions, the improved educator evaluation systems described under Absolute Priority 2 are a central component of the reforms upon which the PBCS and other human capital decisions are based. Thus, each overall evaluation rating must be a valid and reliable reflection of a teacher's individual effectiveness. Accomplishing this requires basing the student growth component of the evaluation rating on the growth of the students in a teacher's own classroom rather than the growth of students in other classrooms.

The Department recognizes that some teachers do not have regular instructional responsibilities, which makes evaluation based on classroom-level student growth inappropriate for them. In these instances, LEAs are free to identify another level of student growth measurement for these teachers' overall evaluation rating. For example, if a specialist with no regular instructional responsibilities works exclusively with fifth grade teachers, then the LEA might evaluate that teacher based on the growth of all fifth grade students. In some cases, when a specialist teacher works across all or most grade levels, an LEA might use a school-wide measure of student growth as part of that teacher's overall evaluation rating.

E-10. Must an LEA include "additional factors" in its educator evaluation systems, and what might they be?

Yes. Absolute Priority 2 establishes that an LEA's evaluation systems must include an evaluation rubric that includes multiple observations, student growth, and, under paragraph (2)(iii) of the priority, "additional factors determined by the LEA." While an LEA has wide discretion in identifying the additional factors to include in the evaluation rubrics, an applicant must use one or more additional factors beyond the observations and student growth. To meet

this Absolute Priority and be eligible for a FY 2012 TIF award, an applicant must describe these additional factors in its application.

There are a variety of “additional factors” that an LEA might consider in designing their evaluation rubrics. For teachers, an additional factor might relate to the quality of the relationships a teacher establishes with her peers or with parents. A teacher’s routine use of student achievement data to drive instruction, as measured by evidence obtained outside of a classroom observation, might also serve as an additional factor. For principals, additional factors might include the principal’s role in promoting a rigorous curriculum, high achievement expectations for all students, and strong communication between school and family.

E-11. Under paragraph (3) of Absolute Priority 2, an applicant must describe “how the evaluation systems will generate an overall evaluation rating that is based, in significant part, on student growth.” What does this mean?

The overall evaluation rating is a single rating that reflects the LEA’s judgment about how to aggregate the individual evaluation measures (i.e., observations, student growth, and additional factors) to produce a single evaluation rating for an individual educator. This overall evaluation rating, which must be determined using a rubric with at least three performance levels, will be the basis on which a teacher or principal is eligible for a TIF-funded performance award under the LEA’s PBCS.

An applicant may not design a PBCS that provides performance-based awards based on observations alone. Similarly, teachers and principals may not earn awards for performing well on the “additional factors” category alone. Rather, performance-based awards must be based on an educator’s overall effectiveness, as measured by an appropriate combination of all the evaluation factors.

An applicant has wide discretion in determining how to weight or otherwise combine the evaluation factors to derive an overall evaluation rating. However, a key requirement relates to the student growth component of the evaluation rubric: the overall evaluation rating must be based, in significant part, on an educator’s student growth outcomes.

E-12. What weight is required for student growth to be considered a “significant” part of an overall evaluation rating?

The Department has not established a specific minimum weight for the student growth component of the overall rating. This is, in part, because there are ways to derive an overall rating that consider student growth, in significant part, without relying on an approach that involves weighting of the individual measures. For example, an LEA may decide that student growth outcomes below an established minimum will always generate an overall rating of ineffective – regardless of the other measures included in the evaluation rubric. Generally, however, an overall rating is not based, in significant part, on student growth if the growth measure has little effect on the overall rating or will affect an overall rating in only the most extreme circumstances.

Under Selection Criterion (b)(5)(i) and (b)(6)(i), peer reviewers will consider the extent to which an applicant bases its overall evaluation rating on student growth, in significant part. In response to this criterion, applicants should carefully explain why they believe that the student growth component of their proposed overall rating calculation is significant.

E-13. May an LEA use whole school growth as a part of the “additional factors” component of the evaluation rubric for teachers with regular instructional responsibilities?

Yes. However, if an LEA uses whole school growth as an additional factor for these teachers, it would need to treat this factor as separate and distinct from the student growth data required under paragraph (2)(ii) of the priority for purposes of calculating an overall evaluation rating under Absolute Priority 2(3). For teachers with regular instructional responsibilities, the overall evaluation rating required under paragraph 3 of Absolute Priority 2 must be based, in significant part, on classroom level growth. (See E-9 and E-11.)

For teachers without regular instructional responsibilities, the overall evaluation rating required under paragraph 3 of Absolute Priority 2 may be based, in significant part, on whole school growth (or another appropriate level of growth that is not classroom level).

E-14. How is the overall evaluation rating that an applicant must describe to meet Absolute Priority 2 related to an LEA’s PBCS?

For a teacher or principal to be eligible for TIF-funded performance-based compensation under the LEA’s PBCS, the teacher or principal must earn an “overall evaluation rating” of effective or higher under the evaluation system described in response to Absolute Priority 2. Thus, the PBCS, which the applicant must describe under Requirement 1, is inextricably linked with the evaluations systems that an applicant must describe under Absolute Priority 2.

E-15. Does Absolute Priority 2 require applicants to describe each LEA’s evaluation system for “other personnel”?

No. Absolute Priority 2, by its terms, only requires applicants to describe the evaluation systems that each participating LEA will develop and implement for teachers and principals.

Although the evaluation systems required under Absolute Priority 2 do not apply to other personnel, applicants should describe the performance standards under which other personnel will be eligible for a performance-based award if an LEA chooses to provide such compensation as part of its proposed PBCS. (See B-8.)

E-16. Must a participating LEA’s educator evaluation systems be fully developed at the time of application?

No. The Department recognizes that the development of rigorous and reliable educator evaluation systems can take time. Developing these systems involve a variety of technical issues on which numerous stakeholders need to provide input. At the very least, however, a participating LEA must commit in the application to implement the evaluation systems for at least a subset of educators or schools by the beginning of the second year of the grant's project period. Additionally, the application must describe how each participating LEA will derive an overall evaluation rating for teachers and principals, and it must set forth a timeline that is consistent with the requirements in paragraph (4) of Absolute Priority 2 for developing and implementing the evaluation systems. (See E-17.)

E-17. Is there a time by which successful applicants must implement the evaluation systems they describe in their application?

Yes. The Department anticipates that some applicants will be ready to implement their teacher and principal evaluation systems during year 1 of the grant's project period. However, applicants that do not currently have LEA-wide evaluation systems based, in significant part, on student growth, are likely to need time during the first year of the grant period to finalize their evaluation rubric or to conduct field tests.

Under paragraph (4) of Absolute Priority 2, these activities are permissible under the FY 2012 competitions so long as, by the beginning of year 2 of the grant's project period, each participating LEA implements the new evaluation systems as the official system for assigning overall evaluation ratings in at least a subset of schools or for at least a subset of teachers and principals. Further, by the beginning of year 3 of the grant's project period, each participating LEA must implement the new evaluation systems as the official evaluation systems for assigning overall evaluation ratings for all educators within the LEA.

If an applicant chooses to phase in the implementation of the new evaluation systems over time, as paragraph (4) allows, the Department encourages the applicant to consider including the schools listed in the application in response to Requirement 3(a) in the first group of schools in which it implements the new evaluation systems. The schools an applicant lists in response to Requirement 3(a) are the high-need schools in which the applicant proposes to implement the TIF-supported PBCS. Under Absolute Priority 1, an applicant must implement the PBCS in these schools no later than year 3 of the grant's project period. By implementing the new evaluation systems in these schools in year 2 or earlier, the applicant will have laid a strong foundation on which to implement the PBCS the following year.

Paragraph (4) of Absolute Priority 2 requires applicants to describe in their applications the implementation timelines they propose to follow. If a participating LEA plans to delay implementing the new evaluation systems until the beginning of year 2, the applicant should respond to paragraph (4) of Absolute Priority 2 by explaining the timeline the LEA intends to follow in year 1 of the grant period to ensure that implementation of the new evaluation systems in a subset of schools or for a subset of educators can begin by the beginning of year 2. The peer reviewers will consider an applicant's response to paragraph (4) of Absolute Priority 2 when they

review and score an application under the selection criteria, including Selection Criterion (e) (Project Management) and Selection Criterion (f) (Sustainability).

E-18. What resources may assist applicants as they design their educator evaluation systems?

With Department support, the Center for Educator Compensation Reform produced a number of resources that may be helpful to applicants. The Center’s resources can be found at www.cecr.ed.gov. Applicants also may find some resources produced by the National Comprehensive Center for Teacher Quality to be helpful. Its website can be found at www.tqssource.org.

F. Absolute Priority 3-- Improving Student Achievement in Science, Technology, Engineering, and Mathematics (STEM)

F-1. Do all applicants need to address Priority 3?

No. The Department is conducting two competitions for awarding FY 2012 TIF funds: a General TIF Competition and a TIF Competition with a Focus on STEM. Only those applicants that wish to apply to the TIF Competition with a Focus on STEM must address Absolute Priority 3. While LEA applicants may not apply to both the TIF Competition with a Focus on STEM and the General TIF competition, SEA and nonprofit applicants may apply to both competitions, as is consistent with Requirement 5.

An applicant to the TIF Competition with a Focus on STEM must meet all Absolute Priority 3 requirements to be eligible to receive FY 2012 TIF funds.

F-2. How are the two TIF competitions the same and how are they different?

Absolute Priorities 1 and 2, all seven of the requirements, and all of the definitions specified in the NIA apply to both competitions. This means that an applicant to either competition will have to describe its existing or proposed LEA-wide HCMS and meet the other requirements of Absolute Priority 1. This also means that an applicant to either competition will have to develop and implement LEA-wide educator evaluation systems that generate an overall evaluation rating based, in significant part, on student growth and meet the other requirements of Absolute Priority 2. Similarly, an applicant to either competition must, under Requirement 1, describe its PBCS, and that PBCS must conform to the NIA’s definition of that term.

Because most of the priorities, requirements, definitions, and selection criteria apply to both competitions, the easiest way to describe the difference between the two competitions is to describe those NIA provisions that do not apply to both.

- General TIF Competition: All NIA provisions apply except Absolute Priority 3 and Selection Criterion (g).

- TIF Competition with a Focus on STEM: All NIA provisions apply.

Only those applicants that wish to apply to the TIF Competition with a Focus on STEM must address Absolute Priority 3. As the application package indicates, applications for the TIF Competition with a Focus on STEM must be submitted under CFDA 84.374B. Those applications that meet all the absolute priorities and requirements will be evaluated and scored under all of the selection criteria that apply to the General TIF Competition and, in addition, unlike applications for the General TIF Competition, will also be evaluated under Selection Criterion (g).

F-3. Must the plan provided in response to Absolute Priority 3 contain certain mandatory features?

Absolute Priority 3 requires an applicant to include in its application a plan that describes each participating LEA's strategies for improving instruction in STEM subjects. Paragraphs 1- 6 of Priority 3 enumerate six specific features that must be described as part of the plan. Applicants must address each of these six features to meet the priority. In abbreviated form, they include:

- 1) How each LEA will develop a corps of STEM master teachers;
- 2) How each LEA will develop the unique competencies that characterize effective STEM teachers;
- 3) How each LEA will identify hard-to-staff STEM subjects and use its HCMS to attract effective teachers to teach these subjects;
- 4) How each LEA will leverage community support, resources, and expertise to inform the implementation of its plan;
- 5) How each LEA will ensure that the financial and nonfinancial incentives offered to reward and promote effective STEM teachers are adequate to attract and retain persons with strong STEM skills;
- 6) How each LEA will ensure that students have access to and participate in rigorous and engaging STEM coursework.

F-4. What is the relationship between an LEA's plan to develop a corps of STEM master teachers and its PBCS?

STEM master teachers are teachers in "career ladder positions," as that term is defined in the NIA. "Career ladder positions" are specifically identified as a type of "additional responsibilities and leadership roles," as that term is defined in the NIA. Additional responsibilities and leadership roles are a required component of any PBCS, as that term is defined in the NIA. Thus, the corps of STEM master teachers developed under the plan described under Absolute Priority 3 would be part of an LEA's PBCS. (See B-2 and B-16.)

F-5. Must the plan required to meet Absolute Priority 3 serve both high-need schools and non-high-need schools?

No. An LEA has wide discretion in choosing whether to serve both high-need schools, defined in the NIA, and non-high-need schools through its plan for improving STEM instruction. In exercising that discretion as it develops its plan, an LEA should keep the following aspects of the competition rules in mind:

Under Requirement 6, TIF funds may be used to support the costs of a PBCS and professional development only in the high-need schools that a grantee has listed in its application in response to Requirement 3(a). Consequently, while the plan described under Absolute Priority 3 may have the goal of improving STEM instruction across the LEA, TIF funds may only be used to support the PBCS costs (including the costs associated with the corps of STEM master teachers) and the professional development costs associated with helping all educators in the high-need schools listed in the application in response to Requirement 3(a) benefit from the evaluation systems and the PBCS. Similarly, under Selection Criterion (g)(1), which only applies to the TIF Competition with a Focus on STEM, applications will be evaluated on the extent to which the financial and nonfinancial incentives “are adequate for attracting effective STEM educators to work in high-need schools and retaining them in these schools.” (See X-2.)

F-6. May the corps of STEM master teachers developed under the plan described in Absolute Priority 3 constitute the applicant’s entire PBCS?

No. (See B-16.)

G. Competitive Preference Priority 4--New or Rural Applicants to the Teacher Incentive Fund

G-1. Does Competitive Preference Priority 4 affect the eligibility of a current or past TIF grantee to receive funds through the FY 2012 TIF competitions?

No. An applicant is eligible to compete for FY 2012 TIF funds without meeting this or any other competitive preference priority. (See C-1.)

G-2. How many points may an applicant receive under Competitive Preference Priority 4?

Applicants may earn either 6 or 10 competitive preference priority points under Competitive Preference Priority 4, as follows:

- Points for New Applicants. Applications in which each participating LEA to be served by the project has not previously participated in a TIF-supported project will receive 6 competitive preference priority points.
- Points for Rural Applicants. Applications in which each participating LEA to be served by the project is a rural LEA will receive 10 competitive preference priority points.

- Points for Applicants that are New and Rural. Applications in which each participating LEA to be served by the project is both new and rural will receive the maximum of 10 competitive preference priority points.

For a group application to be eligible to receive points under this Competitive Preference Priority, the LEAs included in the application must be all rural, all new, or all rural and new.

G-3. What does it mean for an LEA to have “previously participated in a TIF-supported project” within the meaning of Competitive Preference Priority 4?

An LEA has previously participated in a TIF-supported project if it has participated in a previous or current TIF grant. For example, an LEA has previously participated if it was named in an application that was funded under a previous competition – even if the funded project did not move into full implementation or did not continue to receive funding throughout the entire performance period, or if the LEA did not directly benefit from its participation in the project. Similarly, an LEA has previously participated if it was named as a participating LEA after a TIF project’s initial funding. In all these cases, the LEA’s involvement in an application for FY 2012 TIF funding would make that application ineligible for the 6 competitive preference priority points available to new applicants under this priority.

G-4. How does an LEA qualify as a rural LEA for Competitive Preference Priority 4?

To be considered a rural LEA under Competitive Preference Priority 4, an LEA must meet the definition of “rural local educational agency” in the NIA.

G-5. How should an applicant that applies for FY 2012 funds provide the assurance required to meet Competitive Preference Priority 4?

We encourage an applicant to include this required assurance in its project narrative. It should be clearly labeled as “Assurance Required by Competitive Preference Priority 4.” Additionally, each applicant should indicate the page on which this assurance appears in the Application Reference Chart included as part of its application. The Application Reference Chart is in Appendix 2 of the application package.

G-6. May a group application that includes an SEA or a nonprofit organization that was a previous or current TIF grantee receive the competitive preference priority points as a new applicant?

Yes, it may. This competitive preference priority does not depend on whether an SEA applicant or a nonprofit applicant previously participated in a TIF-supported project. It depends solely on whether any of the LEAs included in the FY 2012 application previously participated in a TIF-supported project.

G-7. May an application receive the competitive preference priority points as a new applicant if it includes an LEA that did not previously participate as a grantee in a TIF-supported project but one or more of the LEA's schools previously participated in such a project?

No. If one or more of an LEA's schools was served by a previous TIF grant, that LEA is deemed to have previously participated in a TIF-supported project. An LEA with schools that have so participated is ineligible for the competitive preference priority points as a new applicant under this Priority.

G-8. Will the competitive preference priority points for new applicants available under Competitive Preference Priority 4 depend on whether an LEA applicant has experience with key elements of the HCMS set forth in Absolute Priority 1 and the evaluation systems set forth in Absolute Priority 2?

No. Points for new applicants under Competitive Preference Priority 4 are based exclusively on whether the LEAs included in the application have previously participated in a TIF-supported project. However, whether an LEA applicant has experience with key elements of the HCMS set forth in Absolute Priority 1 and the evaluation systems set forth in Absolute Priority 2 will be relevant as reviewers assign points under some of the selection criteria, such as Selection Criterion (a)(2)(iii) and Selection Criterion (b)(4).

H. Competitive Preference Priority 5--An Educator Salary Structure Based on Effectiveness

H-1. Must an applicant implement a salary structure based on effectiveness to be eligible to receive an FY 2012 TIF award?

No. An applicant is eligible to compete for FY 2012 TIF funds without meeting this or any other competitive preference priority. (See C-1.)

H-2. What is the relationship between the proposed salary structure based on effectiveness and an applicant's proposed PBCS?

Under a salary structure based on effectiveness, effective educators will earn performance-based compensation through their salary. A third-year teacher, for example, may earn a higher salary than another third-year teacher if one teacher earned an overall evaluation rating of effective or higher and the other did not. Consequently, the salary structure itself is the mechanism through which the LEA provides, as least in part, performance-based compensation; as such, it is a component of the LEA's PBCS.

H-3. May the salary structure be designed to satisfy the requirements of either Design Model 1 or Design Model 2 in the PBCS definition?

Yes. To receive points under Competitive Preference Priority 5, an applicant must show that the components of its PBCS are reflected in the participating LEA's salary structure. Thus, an LEA that chooses PBCS Design Model 1 would offer different salaries based, in part, on whether a teacher or principal earned an overall rating of effective or higher. Under this model, while the LEA may use multiple qualities to determine an educator's salary, the salary differential between two similarly situated educators must be tied exclusively to the educators' overall evaluation ratings.

Similarly, an LEA that chooses PBCS Design Model 2 would offer different salaries based on whether an effective teacher accepts a career ladder position. Under this model, while the LEA may base salary levels on various qualities, the salary differential between two similarly situated teachers must be tied exclusively to the fact that one teacher (with the higher salary) is in a career ladder position and has an overall evaluation rating of effective or higher.

H-4. To receive points under Competitive Preference Priority 5, must an applicant embed all the mandatory components of Design Model 1 and Design Model 2 in the salary structure based on effectiveness?

No. To receive the competitive preference priority points, an applicant must show that performance-based compensation for both teachers and principals is a part of the salary structure based on effectiveness. Thus, an applicant that chooses Design Model 1 must embed in the salary structure a salary differential that provides additional compensation to teachers and principals who receive an overall evaluation rating of effective or higher. Such an applicant, however, would not need to embed in its salary structure the additional compensation for effective teachers who take on additional responsibilities and leadership roles. However, even if this mandatory component of the PBCS design model is not embedded in the salary structure, the LEA must somehow provide that component through its PBCS to meet Requirement 1.

To receive points under this Priority, an applicant that chooses Design Model 2 must embed in the LEA's salary structure both the career ladder component for teachers and one of the two alternative mandatory components for principals.

H-5. To earn any competitive preference priority points under this Priority, must an applicant show that the proposed salary structure contains certain specific components?

Yes. To earn any points under this competitive preference priority, an applicant must show that the salary structure based on effectiveness applies to both teachers and principals located in high-need schools listed in response to Requirement 3(a). Additionally, the applicant's proposed salary structure must include a timeline for implementation. The proposal must also describe the extent to which the proposed implementation of the proposed salary structure is feasible. These components are discussed in more detail below.

H-6. May an applicant receive some but not all of the competitive preference priority points available under Competitive Preference Priority 5, and, if so, on what basis will points be awarded?

Yes. Reviewers will use their professional judgment to assign points within the allowable range of 0 to 20. In assigning points, reviewers will consider a variety of factors. These factors might include the scope of the proposed salary structure, including the proportion of the LEA's educators who are eligible for the salary differential based on effectiveness and the size of the salary differential. Reviewers will also consider the extent to which the proposed implementation of the salary structure is feasible.

H-7. To meet paragraph (a) of Competitive Preference Priority 5, the applicant must describe "the extent to which and how each LEA will use overall evaluation ratings to determine educator salaries." How should an applicant meet this requirement?

The Department has not prescribed a single manner in which an applicant must respond to paragraph (a) of the Priority. The applicant's description of its use of evaluation ratings to determine educator salaries should help reviewers understand how the salary structure will work to determine salaries. While the details of any description will vary depending on the nature of the proposed salary structure, the description might include the following: the salary differential between educators with an overall evaluation rating of effective or higher and similarly situated educators who do not receive such ratings; how the salary differential will be calculated; and the educators to whom the salary structure will apply.

H-8. Paragraph (b) of Competitive Preference Priority 5 requires an applicant to describe "how each LEA will use TIF funds to support the salary structure based on effectiveness in the high-need schools listed in response to Requirement 3(a)." How should an applicant meet this requirement?

Under Requirement 6, TIF funds may be used only to support the costs of a proposed PBCS in the high-need schools listed in response to Requirement 3(a). Thus, in responding to paragraph (b), an applicant should indicate that it plans to use TIF funds to support the costs of the salary differential in the salary structure based on effectiveness only for educators in the high-need schools listed in response to Requirement 3(a). Applicants that propose to implement career ladder positions should describe how they propose to use TIF funds to support the salary costs for the proposed career ladder positions, given allowable uses of funds under Requirement 6. (See O-8.) An applicant should also include an estimate of what those costs will be and how the cost estimate was derived.

H-9. Paragraph (c) of Competitive Preference Priority 5 requires an applicant to describe "the extent to which the proposed implementation is feasible, given that implementation will depend upon stakeholder support and applicable LEA-level policies." How should an applicant meet this requirement?

The Department has not prescribed a single manner in which an applicant must respond to this component of the Priority. However, one possible response would be for an applicant to describe why it believes the proposed salary structure based on effectiveness is feasible. This description might indicate whether the proposed salary structure has received formal approval from the local school board. The applicant might also describe the key stakeholders in the LEA and whether they have formally approved the proposed structure or the process by which that approval will be obtained.

H-10. To receive competitive preference points under Competitive Preference Priority 5, must the revised salary structure operate LEA-wide?

No. An LEA's salary structure based on effectiveness is, at least in part, a component of its PBCS. Although an LEA may operate its PBCS on an LEA-wide basis, under the TIF FY 2012 competitions an LEA is required to operate its PBCS only in high-need schools listed in response to Requirement 3(a). Thus, to meet the requirements of Competitive Preference Priority 5, the revised salary structure must, at a minimum, provide performance-based salaries for effective educators in the high-need schools listed in response to Requirement 3(a).

H-11. To receive competitive preference points under Competitive Preference Priority 5, may the salary structure differentiate between effective educators who work in high-need schools and those that work in non-high-need schools?

Yes. For example, applicants may want to provide higher salary differentials for effective educators in high-need schools as a strategy to attract and retain these educators in those schools. (See R-4 and X-2.)

H-12. To receive competitive preference points under Competitive Preference Priority 5, may the salary structure provide a higher salary differential to effective teachers who teach hard-to-staff subjects than to effective teachers who do not teach such subjects?

Yes. The salary structure based on effectiveness must provide a salary differential between two similarly situated educators that is tied exclusively to the educators' overall evaluation rating. At its discretion, an applicant also may provide a salary differential for effective teachers of hard-to-staff subjects that is higher than the salary differential for effective teachers of other subjects. An LEA might want to use this "tiered differential" approach as one strategy to attract and retain effective teachers of hard-to-staff subjects in high-need schools.

H-13. Are there restrictions on the use of TIF funds to support the salary structure described in response to Competitive Preference Priority 5?

Yes. Any use of TIF funds must adhere to all requirements and restrictions described in Requirement 6. (See section O.) For example, Requirement 6 states that TIF funds may be used to support the costs of a proposed PBCS, including the performance-based salary differential generated by a salary structure based on effectiveness, only in the high-need schools listed in

response to Requirement 3(a). (See O-1.) Additionally, Requirement 6 restricts the amount of TIF funds that LEAs may provide teachers in career ladder positions or teachers who assume other types of additional roles and responsibilities. (See O-8.)

H-14. To earn competitive preference points under Competitive Preference Priority 5, when must the salary structure based on effectiveness be implemented?

Competitive Preference Priority 5 specifies that the proposed salary structure based on effectiveness must be implemented no later than in the fifth year of the grant's project period. However, to meet Absolute Priority 1, an applicant must implement its proposed PBCS in the high-need schools identified in Requirement 3(a) by the third year of the grant's project period. Thus, if the proposed timeline for implementing the proposed salary structure exceeds that deadline, the applicant must describe, under Requirement 1, a proposed PBCS that the LEA will implement until the proposed salary structure is implemented, which must be no later than the fifth year of the grant's project period.

H-15. May the year in which an educator earns the additional compensation provided by a PBCS be different than the year in which the LEA pays the additional compensation?

Yes. Educators earn performance-based compensation by receiving an overall evaluation rating of effective or higher. The year in which this rating is earned may be different than the year in which the additional compensation is paid. When LEAs provide performance-based compensation as a bonus, educators often receive their compensation in the fall following the year in which it is earned. When the PBCS is embedded in a salary structure based on effectiveness, the salary differential may be paid during the year following the year in which an educator earned the differential. Thus, if an applicant proposes to begin implementation of a salary structure based on effectiveness at the beginning of year 3 of the grant's project period, the first salary differentials may be paid in year 4.

H-16. May a group applicant earn competitive preference priority points under Competitive Preference Priority 5 if some, but not all, of the LEAs included in the application propose a salary structure based on effectiveness?

No. For a group application to receive points under Competitive Preference Priority 5, the applicant must propose to implement a salary structure based on performance in all of the LEAs that are members of the group.

I. Requirements

I-1. Must applicants meet the requirements set forth in the NIA to be eligible for funding under the FY 2012 competitions?

Yes. The Department therefore encourages applicants to follow these requirements carefully.

J. Requirement 1--Performance-Based Compensation for Teachers, Principals, and Other Personnel

J-1. What is the relationship between Requirement 1 and the PBCS definition?

To meet Requirement 1, an applicant must describe the PBCS it proposes to implement, and that description must be consistent with the components of the PBCS definition.

J-2. How can an applicant ensure that its PBCS conforms to the PBCS definition?

Applicants should carefully review the PBCS definition in the NIA, which sets forth the mandatory and the optional components of any PBCS for purposes of the FY 2012 TIF competitions. We also encourage applicants to read the extensive discussion of the PBCS definition and related requirements in the “PBCS” section of these FAQs. (See Section B.)

K. Requirement 2--Involvement and Support of Teachers and Principals

K-1. Under paragraph (a) of Requirement 2, applicants must include evidence that educators in each participating LEA have been involved and will continue to be involved in the development and implementation of the LEA’s PBCS and evaluation systems. What kind of evidence would satisfy this part of Requirement 2?

Applicants have wide discretion in choosing the type of evidence to include in response to this part of Requirement 2. Applicants should note, however, that the requirement has several components:

- The evidence must show past involvement (up to the time the application is submitted) by teachers and principals in the development of both the PBCS and the evaluation systems described in the application.
- The evidence must also show that teachers and principals will continue to be involved in the implementation of the PBCS and evaluation systems if the application is successful.

To demonstrate past involvement in the development of the PBCS, the applicant might include a description of the PBCS design committee, the educators who were on the committee, and the minutes of the committee meetings. To show that educators will be involved on an ongoing basis in the educator evaluation systems and other aspects of the proposed project, an applicant might describe the organizational structures that each LEA would put in place to ensure that educators are routinely involved in decisions regarding the implementation of the PBCS and evaluation systems if the application is successful.

The quality of the educator involvement evidenced in the application will be evaluated under Selection Criterion (d)(1). Under that Selection Criterion, reviewers will consider the extent to which the evidence demonstrates that the involvement by educators in each participating LEA in the design of the PBCS and the educator evaluation systems has been extensive and will continue to be extensive. (See U-1.)

K-2. If a union is the exclusive representative of teachers or principals, may an applicant meet paragraph (a) of Requirement 2 by including evidence of union involvement, or must the applicant also show evidence of involvement by individual educators and the other organizations to which they belong?

Where a union is the exclusive representative either of teachers or principals, an applicant may meet this requirement by showing that the union was involved, and will continue to be involved, in the design of the PBCS and the underlying evaluation system. The applicant, in this situation, does not also need to show the involvement of individual teachers or principals or other non-union organizations. Note that, if there is a union for teachers, but not for principals, the applicant may meet this requirement by showing the involvement of the teachers' union, but it would also have to separately show the involvement of individual principals or principal organizations.

K-3. Paragraph (b) of Requirement 2 requires applicants to include a description of the extent to which the applicant has educator support for the proposed PBCS and educator evaluation systems. What kind of description would satisfy this part of Requirement 2?

This part of Requirement 2 would be met so long as the application includes a description of the extent of educator support. However, the quality and extent of the support described (e.g., the extent to which the application describes educator support in each participating LEA) will be evaluated and scored by the reviewers under Selection Criterion (d)(2). (See U-1.)

K-4. If a union is the exclusive representative of teachers or principals, may an applicant meet paragraph (b) of Requirement 2 by describing the extent of union support or must the applicant also describe the extent of support by individual educators and the other organizations to which they belong?

Where a union is the exclusive representative of teachers or principals, an applicant may meet paragraph (b) of Requirement 2 by describing the extent of union support. Note that if there is a union for teachers, but not for principals, the applicant may meet paragraph (b) of Requirement 2 by describing the support of the teachers' union, but it must also describe separately the support of individual principals or principal organizations.

K-5. If a union is the exclusive representative of teachers or principals, does an applicant's eligibility for funding require it to show that the union has been involved in and supports the development and implementation of the PBCS and evaluation systems described in the application?

No. Instead, it may show that individual teachers and principals have been involved in and support the development of these systems. However, peer reviewers, under Selection Criteria (d)(1) and (d)(2), will consider the extent to which educators have been involved and support the proposed PBCS and the evaluation systems. The lack of union involvement and support would be relevant when reviewers apply these Selection Criteria to an application involving an LEA in which educators are represented by unions. (See U-1.)

K-6. Paragraph (c) of Requirement 2 requires applicants to include a statement indicating whether a union is the exclusive representative of either teachers or principals in each participating LEA. How will this information be used?

This part of Requirement 2 will give reviewers the background information they need to assess the evidence submitted under paragraph (a) of Requirement 2 and the description included under paragraph (b) of Requirement 2. For example, if the evidence shows no union involvement or support in a particular LEA, reviewers will benefit from knowing whether a union represents teachers or principals in that LEA when they apply Selection Criteria (d)(1) and (d)(2).

K-7. If there is no union that is the exclusive representative of teachers or principals in one or more of the participating LEAs, must the application include the statement described in paragraph (c) of Requirement 2?

Yes. All applicants must include a statement indicating, for each LEA, whether a union is the exclusive representative of teachers or principals.

L. Requirement 3--Documentation of High-Need Schools

L-1. Do all “high-need schools” in an LEA need to be listed in the application in response to Requirement 3(a)?

No. In response to Requirement 3(a), applicants must list in their applications those “high-need schools” that will participate in the TIF-supported PBCS; whether to extend the PBCS to all of the LEA's high-need schools is a decision left to the applicant (or members of a group application). An applicant that is a current TIF grantee must not list any high-need schools that, under Requirement 7, are ineligible to participate in the PBCS funded under the FY 2012 competitions because they are served or to be served under another TIF grant. (See Section P.)

L-2. What is the definition of a “high-need school”?

As defined in the NIA, a “high-need school” is a “high-poverty school,” a “persistently lowest-achieving school,” or, in the case of States that have received the Department’s approval of a request for ESEA flexibility, a “priority school.” Thus, there are three types of high-need schools. See Questions L-4 through L-12 for more information about these types of schools.

L-3. Must all of the schools listed in response to Requirement 3 be the same type of “high-need school”?

No. So long as a school is any one of the three types of schools included in the definition of “high-need school,” it may be listed in the TIF application in response to Requirement 3(a). Thus, for example, an applicant could include one school that is a “high-poverty school” and one school that is a “persistently lowest-achieving school.”

L-4. What is the definition of a “high-poverty school”?

A “high-poverty school” is 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 to determine school attendance areas under Title I, Part A of the ESEA. (See §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. See Question L-5. Eligibility as a “high-poverty school” is determined on the basis of the most currently available data.

L-5. May feeder patterns be used to establish that a school is a “high-poverty school”?

Yes. As noted in L-4, applicants may calculate the percentage of students from low-income families at a middle or high school using poverty data from the elementary school attendance areas that feed into the middle or high school. Below is an example of how an applicant would use feeder patterns to calculate the poverty rate of a high school:

<i>Feeder Elementary Schools</i>	<i>Total Enrollment</i>	<i>Number of Low-Income Students</i>
School A	568	401
School B	329	207
School C	588	362
School D	<u>836</u>	<u>427</u>
<i>Total</i>	2,321	1,397

In this example, to calculate the average poverty rate of the high school into which the four elementary schools feed, divide the total number of low-income children attending these elementary schools by the total enrollment of the schools (1,397 ÷ 2,321). The average percentage of poverty in this example is 60.19%.

Other examples of how to calculate poverty rates using feeder patterns can be found in the response to question 10 of the non-regulatory guidance for the ESEA Title I program at <http://www.ed.gov/programs/titleiparta/wdag.doc>.

L-6. What evidence must an applicant provide to demonstrate that a school qualifies as a “high-need school” because it is a “high-poverty school”?

An applicant must identify the name of the school and the poverty rate of the school, using the most currently available data. If the school’s eligibility is based on the poverty level of feeder schools, the applicant must identify the poverty levels of those feeder schools and how it determined that the high-need school in question qualifies on the basis of the poverty levels of those schools.

L-7. What is the definition of a “persistently lowest-achieving school”?

A “persistently lowest-achieving school” means, as determined by the State:

- (a) Any Title I school in improvement, corrective action, or restructuring that —
- (i) Is among the lowest-achieving five percent of Title I schools in improvement, corrective action, or restructuring or the lowest-achieving five Title I schools in improvement, corrective action, or restructuring in the State, whichever number of schools is greater; or
 - (ii) Is a high school that has had a graduation rate as defined in 34 C.F.R. § 200.19(b) that is less than 60 percent over a number of years;
- and
- (b) Any secondary school that is eligible for, but does not receive, Title I funds that —
- (i) Is among the lowest-achieving five percent of secondary schools or the lowest-achieving five secondary schools in the State that are eligible for, but do not receive, Title I funds, whichever number of schools is greater; or
 - (ii) Is a high school that has had a graduation rate as defined in 34 C.F.R. § 200.19(b) that is less than 60 percent over a number of years.

To identify a “persistently lowest achieving school,” a State must take into account both:

- The academic achievement of the “all students” group in a school in terms of proficiency on the State’s assessments under section 1111(b)(3) of the ESEA in reading/language arts and mathematics combined; and
- The school’s lack of progress on those assessments over a number of years in the “all students” group.

L-8. Where can an applicant find a list of the “persistently lowest-achieving schools” in its State?

Each State's list of approved persistently low-achieving schools can be found in the State's most recently approved School Improvement Grant (SIG) application. Approved State applications can be found on the Department's website at the link below:

<http://www2.ed.gov/programs/sif/index.html#map>.

L-9. The approved State application for the SIG program includes a list of schools with different classifications. Which schools on the list are considered “persistently lowest-achieving schools”?

For the purposes of this priority, the Department considers schools that are identified as Tier I or Tier II schools under the School Improvement Grants Program (see Final requirements for School Improvement Grants authorized under section 1003(g) of Title I of the ESEA, 75 FR 66363 (October 28, 2010)) as part of a State's approved applications to be persistently lowest-achieving schools. These Tier I and Tier II schools can be found on the Department's web site at <http://www2.ed.gov/programs/sif/index.html>.

L-10. What evidence must an applicant submit to demonstrate that a school qualifies as a “high-need school” because it is a “persistently lowest-achieving school”?

An applicant must identify the name of the school and indicate that it is one of the State's “persistently lowest-achieving schools.”

L-11. What is the definition of a “priority school”?

The NIA defines a “priority school” as “a school that has been identified by the State as a priority school pursuant to the State's approved request for ESEA flexibility.”

L-12. What evidence must an applicant submit to demonstrate that a school qualifies as a “high-need school” because it is a “priority school”?

An applicant must submit documentation verifying that the school has been identified by the State as a priority school. This documentation could consist, for example, of a letter from the SEA that identifies the school as a “priority school.”

L-13. Where in the application should an applicant provide the evidence that a school is a “high-need school”?

The evidence should be included as part of a narrative attached to the “Other Attachment Form” in Grants.gov. It should be labeled clearly as “Documentation of High-Need Schools.”

M. Requirement 4--SEA and Other Group Applications

M-1. Is there any circumstance under which an SEA may apply on its own for FY 2012 TIF funds?

No. Paragraph (c) of Requirement 4 establishes that an SEA may only apply for TIF funds under the FY 2012 competitions with at least one LEA from the same State as the SEA. An SEA that does not include in its application at least one participating LEA from the same State is not eligible to apply for TIF funds.

M-2. Is there any circumstance under which a nonprofit organization may apply on its own for FY 2012 TIF funds?

No. Paragraph (b) of Requirement 4 provides that a nonprofit organization must apply in a partnership that includes one or more LEAs. Such a partnership application is a type of group application. The partnership's group application may also include an SEA; the decision whether to include the SEA is left to the nonprofit organization and the LEA(s) with which it proposes to partner.

M-3. What is a group application and what entities must apply as part of a group application?

See A-4.

M-4. What are the possible combinations of eligible entities that may be included in any group application?

There are four different combinations of eligible entities that can be included in any group application. These four combinations are indicated on the Application Reference Chart form, which is included in the application package. These combinations are as follows:

- Two or more LEAs
- One or more SEAs and one or more LEAs
- One or more nonprofit organizations and one or more LEAs (no SEA)
- One or more nonprofit organizations and one or more LEAs and one or more SEAs

M-5. What entity may serve as the fiscal agent for a group application, including a partnership application?

The fiscal agent for a group application, including a partnership application, may be an SEA, an LEA, or a nonprofit organization.

M-6. In a group application, is the lead applicant (i.e., the group member that submits the TIF application) also the fiscal agent?

Yes. Paragraph (d)(2) of Requirement 4 refers to the “lead applicant.” This is the group member that submits the application on behalf of the group. Section 75.129(a) of EDGAR (34 C.F.R. §75.129(a)) provides that the applicant for a group (i.e., the “lead” applicant) is legally responsible for, among other things, (1) the use of all grant funds, and (2) ensuring that the project is carried out by the group in accordance with Federal requirements. Thus, the lead applicant is also the fiscal agent.

M-7. Must each LEA that is included in a group application meet Absolute Priorities 1 and 2 and the other requirements of the NIA?

Yes.

M-8. Paragraph (e) of Requirement 4 states that each entity in a group application is considered a grantee if that application is funded. What does this mean?

This means that each member of the group is responsible for meeting the obligations of the grant, as stated in the group application. These obligations include compliance with all of the recordkeeping, fiscal management, evaluation, and related requirements contained in Department regulations applicable to grantees. These obligations also include the obligation to comply with the assurances and representations made in the grant application, including the Memorandum of Understanding (MOU) or other binding agreement under paragraph (d) of Requirement 4 of the NIA.

M-9. Do all members of a group application, including a partnership, have to sign the MOU or similar binding agreement under Requirement 4 of the NIA?

Yes. All members of a group application must enter into an MOU or similar binding agreement that details the roles and responsibilities of each member organization.

M-10. What official(s) must sign the MOU that must be included in any group application?

The person who signs the MOU for each group member is the same official who would be authorized by the group member to apply for a Department grant on behalf of the group member alone.

M-11. What will happen if a group application does not include an MOU or other binding agreement under paragraph (d) of Requirement 4?

Because this is a requirement, a group application that does not include an MOU or other binding agreement would be ineligible for funding.

M-12. In addition to including an MOU or other binding agreement in its application, are there other application requirements that apply specifically to group applicants?

Yes. Group applicants should carefully review Appendix I of this document, and the FAQs referenced there, to identify the other requirements that specifically apply to group applicants.

M-13. In the case of a group application, what official must sign form SF-424, which must be included in any TIF application?

An authorized official of the group member that submits the application on behalf of the group (i.e., the lead applicant) must sign form SF-424. Officials of the other members of the group are not required to sign this form. The authorized official of the lead applicant is the same official who would be authorized by that entity to apply for a Department grant on behalf of the lead applicant alone. (See M-10 for the official who is to sign the group's MOU.)

N. Requirement 5--Submitting an Application for One Competition

N-1. How will an applicant indicate whether it is applying to the General TIF Competition or the TIF Competition with a Focus on STEM?

As indicated in the application package, the Department is using different CFDA numbers for each competition. The CFDA number 84.374A is for the General Competition, and the CFDA number 84.374B is for the TIF Competition with a Focus on STEM.

When applying, applicants must submit their applications in Grants.gov by selecting the CFDA number for the competition for which they wish to apply. Those that submit an application under 84.374A will be considered for the General TIF Competition, and those that submit an application under 84.374B will be considered for the TIF Competition with a Focus on STEM.

The Department has designed the application to allow applicants to confirm their competition choice within their application. For example, the application package indicates that applicants should state their competition choice in the Project Abstract section of the application.

N-2. May an eligible entity apply to the General TIF Competition as part of one group application and the TIF Competition with a Focus on STEM as part of another group application?

Under Requirement 5, LEAs may apply to only one competition. Furthermore, for whichever competition it chooses, an LEA can be part of only one application.

SEAs may apply to both competitions, but, for each competition, they may apply as part of only one group application. Because an LEA can only submit one application, the LEAs included in any group application for one competition must be different than the LEAs included in the group application for the other competition.

Nonprofit organizations may apply to both competitions as part of different group applications. Additionally, for each competition, nonprofit organizations may be part of more

than one group application. However, because an LEA may submit only one application, the LEAs included in one such group application must be different than the LEAs included in any other such group application.

N-3. What is the difference between the General TIF Competition and the TIF Competition with a Focus on STEM?

See F-2.

N-4. If an applicant applies to the TIF Competition with a Focus on STEM but either fails to meet Absolute Priority 3 or is not recommended for funding under that competition, will its application automatically be considered for funding in the General Competition?

No.

N-5. Should applicants to the General TIF Competition address Absolute Priority 3 -- either as a mandatory eligibility requirement or as a discretionary option?

No. Applicants to the General TIF Competition should not address Absolute Priority 3.

O. Requirement 6--Use of TIF Funds to Support the PBCS

O-1. How may TIF funds be used?

TIF funds may be used to support the costs of performance-based compensation and related professional development in the high-need schools identified under Requirement 3(a). TIF funds may not be used to provide performance-based compensation or related professional development in schools that are not identified in response to Requirement 3. TIF funds may also be used to pay costs that are reasonable and necessary to develop and improve systems and tools that support the PBCS and benefit the entire LEA (see O-2 to O-5) as well as the costs of project administration.

Professional development is “related” to the performance-based compensation if it is designed to address the educator needs that have been identified through the evaluation systems described in the application.

O-2. May an applicant propose to use TIF funds to develop, refine, or adopt systems for measuring student growth?

Yes. This use of TIF funds fits squarely within the rule expressed in Requirement 6 under which TIF funds can be used to develop or improve systems and tools that support the PBCS and benefit the entire LEA. Where new assessment tools may be needed to measure student achievement, applicants should consider LEA capacity, costs, and the project timeline when

determining whether to adopt readily available, valid, and reliable instruments, rather than develop new assessment tools.

O-3. May an SEA applicant use TIF funds to develop or improve systems and tools that support a participating LEA’s PBCS and benefit the entire LEA?

Yes. An SEA may use TIF funds to develop or improve State-level systems and tools that support the PBCS in any participating LEAs. However, under U.S. Office of Management and Budget (OMB) cost principles related to allocating costs among grant programs or cost objectives that benefit from them, TIF funds can only be used to pay for that proportion of the total costs that directly benefit the LEAs participating in the TIF-supported project.

O-4. Can TIF funds be used for the implementation of systems and tools that support the PBCS?

It depends. The use of TIF funds for the implementation of such systems and tools is allowable only with regard to high-need schools identified in the application in response to Requirement 3(a) for participating in the TIF-supported PBCS. However, TIF funds may be used to develop and improve systems and tools that, in supporting the PBCS, may benefit the entire LEA. (See O-1.) The development or improvement of systems and tools may include costs such as license fees or evaluation observers as long as those costs are reasonable and necessary for the development or improvement of the systems and tools, prior to implementation.

For example, the costs of the evaluation systems may be considered development and improvement costs up to the first year of LEA-wide implementation. From the beginning of the first year of LEA-wide implementation, these costs may not be considered development or improvement costs for purposes of the TIF program. They would be considered implementation costs, which TIF funds may not support on an LEA-wide basis. However, under OMB cost principles related to allocating costs, TIF can support only the proportion of the total implementation costs that benefit the high-need schools identified in response to Requirement 3.

O-5. May TIF funds be used to support the salary costs of an LEA’s central office staff who are responsible for areas of the HCMS described in the application?

It depends. TIF funds may be used to support the salary costs of central office staff who administer and implement the PBCS in the high-need schools identified in response to Requirement 3 as well as its links to the LEA’s HCMS, including: the systems and tools that support the PBCS and the processes the LEA uses to act on the information generated by these systems and tools, for example, when awarding performance-based compensation.

In keeping with the general principles stated above, TIF funds may be used for salary costs needed to make proposed modifications to an LEA’s HCMS, where such salary costs are reasonable and necessary for the development or improvement of systems and tools that support the PBCS. In every LEA, a large number of central office staff will be directly involved in the LEA’s

HCMS, but only a limited number of individuals will be involved in the development or improvement of systems and tools that support the PBCS. Further, as TIF funds may be used for the development and improvement of systems and tools that support the PBCS and benefit the entire LEA, but not for the LEA-wide implementation of such systems and tools, salary costs related to the implementation of such systems and tools are also subject to the cost allocation principles described in O-4.

O-6. Is there a minimum or maximum amount of performance-based compensation that a grantee must provide to effective educators as part of its PBCS?

No. See B-11.

O-7. Are there restrictions on the use of TIF funds for the additional compensation provided under a proposed PBCS in the high-need schools identified in the application in response to Requirement 3(a)?

Under cost principles generally applicable to Federal grants, all costs supported with grant funds must be reasonable and necessary. Because the TIF program gives applicants wide discretion in establishing the amount of performance-based compensation that effective educators will receive, the Department does not anticipate that these cost principles would conflict with the amount of compensation a grantee determined to be appropriate. However, they could come into play if the incentive amounts were so high as to be deemed "unreasonable" or "unnecessary."

O-8. Are there any specific restrictions on the amount of additional compensation that LEAs may provide teachers in career ladder positions or teachers who assume other types of additional roles and responsibilities under a TIF-supported PBCS?

Yes. Under Requirement 6, applicants may propose to use TIF funds to support the cost of full-time salaries for teachers in career ladder positions in the high-need schools listed in response to Requirement 3(a). However, TIF funds may support only the cost of up to one full-time equivalent career ladder position for every 12 teachers who are not in a career ladder position in the high-need schools listed in response to Requirement 3(a).

For example, if there are 48 classroom teachers who are not in career ladder positions in the participating high-need schools, TIF funds may be used to support the full-time salary of up to 4 career ladder positions. This approach is designed to give an LEA flexibility to design its program of additional responsibilities and leadership roles using only full-time career ladder positions, only part-time positions, or some combination of both, as it deems appropriate to implement either PBCS Design Model 1 or Design Model 2.

In the example given above, TIF funds could support 4 full-time master teacher positions, or 2 full-time positions and 4 half-time positions, or an equivalent combination. Further, this limitation applies to the additional compensation for both career ladder positions and for

additional responsibilities and leadership roles in the high-need schools listed in response to Requirement 3(a).

P. Requirement 7--Limitation on Using TIF Funds in High-Need Schools Served by Existing TIF Grants

P-1. Does Requirement 7 make current TIF grantees ineligible to receive a TIF grant under these competitions?

It depends. Under Requirement 7, each applicant must provide an assurance that any grant funds provided under the FY 2012 competitions will only be used to implement the PBCS in high-need schools that are not served, as of the beginning of the FY 2012 grant's project period or as planned in the future, by an existing TIF grant. Thus, if all the high-need schools in an LEA are already being served (or will be served) by a current TIF grant as of the beginning of the FY 2012 TIF grant project period (October 2012), that LEA would not be eligible to receive funds under these competitions. Current TIF grantees with one or more high-need schools that are not served (and will not be served) by the current grant as of the beginning of the FY 2012 TIF grant project period (October 2012) would be eligible to receive funds under these competitions.

P-2. How should an applicant that applies for FY 2012 funds provide the assurance required under Requirement 7.

An applicant should include this assurance in its project narrative. It should be clearly labeled as "Assurance Required by Competitive Preference Priority 7." Additionally, each applicant should indicate the page on which this assurance appears in the Application Reference Chart included as part of its application. The Application Reference Chart is in Appendix 2 of the application package.

P-3. What is the relationship between Requirement 7 and the high-need schools identified in the TIF application in response to Requirement 3?

Under Requirement 3(a), applicants must list each of the high-need schools that will participate in the proposed TIF-funded PBCS. The list submitted under Requirement 3 must not include any schools that are served, as of the beginning of the new grant project period or as planned in the future, by an existing TIF project.

Q. The Selection Criteria

Q-1. Do all the selection criteria apply to both competitions--the General Competition and the TIF Competition with a Focus on STEM?

No. Selection Criteria (a) through (f) apply to both competitions. However, applications for the TIF Competition with a Focus on STEM will also be evaluated under Selection Criterion (g), but applications for the General Competition will not.

Q-2. How will applications be reviewed?

The Department will first screen applications to determine which applications should and should not be forwarded to reviewers based on the adequacy of the applications' response to the absolute priorities and eligibility and other requirements established by the NFP. (For the convenience of applicants, all priorities, requirements, and definitions included in the NFP are repeated in the NIA.)

The Department intends to use independent reviewers from various backgrounds and professions with relevant expertise. These reviewers will use their professional judgment to evaluate and score each application based on the selection criteria.

Q-3. Will an applicant receive its scores and reviewer comments after the competitions are completed?

Yes. Both funded and unfunded applicants will receive a copy of the technical review forms completed by the peer reviewers on their applications. Individual reviewer names are deleted from the forms to preserve confidentiality.

Q-4. Will the reviewers be asked to read every part of each application?

Yes. To facilitate the review, the Department encourages applicants to carefully follow the directions in the application package. Applicants should pay particular attention to the flow of the narrative and correctly label all attachments.

R. Selection Criterion (a)--A Coherent and Comprehensive Human Capital Management System (HCMS)

R-1. Under Selection Criterion (a)(2)(ii), is there a particular type or number of human capital decisions for which educator effectiveness ratings should be considered, at least in part?

Generally, no. However, at a minimum, each LEA must base TIF-funded performance-based compensation and professional development in high-need schools on educator effectiveness ratings. (See D-5.) The Department encourages applicants to consider basing, at least in part, a range of additional human capital decisions on educator effectiveness ratings. In the application, each participating LEA should describe and justify its plans for using educator effectiveness ratings in making human capital decisions.

R-2. Under Selection Criterion (a)(2)(ii), is there a particular weight that LEAs should give educator effectiveness when they make human capital decisions?

The Department does not expect LEAs to develop a quantitative formula for including educator effectiveness in each human capital decision. However, for those human capital decisions for which the LEA considers, at least in part, educator effectiveness, the applicant should describe the level of significance it gives, or plans to give, to educator effectiveness. It should also clearly justify why the applicant believes the level of significance is appropriate. In making educator compensation decisions in high-need schools under the LEA's proposed PBCS, educator effectiveness, of course, must be a decisive factor.

R-3. In responding to Selection Criterion (a)(2)(iv), how may an applicant show the commitment of LEA leadership in implementing the HCMS and its component parts?

An applicant can provide evidence of commitment in a variety of ways: For example, the application can include evidence that district leadership, including the Superintendent and the local Board of Education, have been heavily involved, and plan to be heavily involved, in the development of the new evaluation systems, the HCMS, and the PBCS. The proposed organizational structure of each participating LEA might also provide evidence of leadership commitment. For example: Does responsibility for implementing the HCMS activities rest with senior leaders? Do these senior leaders have the staff and resources they need to fulfill their responsibilities? Is there a structure in place to ensure effective and ongoing communication among the various offices that will carry out the HCMS? Is there an LEA plan for ongoing communication to key stakeholders during the course of the grant project period?

R-4. When reviewing Selection Criterion (a)(2)(v), how will the Department determine if the strategies and incentives proposed by the applicant are adequate to attract and retain effective educators to work in high-need schools?

Peer reviewers will use their professional judgment in determining whether the strategies and incentives described in the application are adequate to attract and retain educators to work in high-need schools. By the terms of the Selection Criterion itself, they will consider both financial and nonfinancial strategies and incentives. For example, a nonfinancial strategy to attract and retain teachers might be to reduce the teaching schedule of teachers in high-need schools. Properly managed, a reduced class load would give teachers increased time to plan, to participate in professional development with their colleagues, and to outreach to parents. Nonfinancial incentives might also include special efforts to enhance a school's cultural climate.

While applicants are encouraged to describe all the strategies they have developed to attract and retain effective educators, TIF funds may not support costs that are unrelated to the PBCS. With comprehensive strategies and incentives, both TIF-supported and non-TIF-supported, an LEA can leverage its resources to achieve the goal of attracting and retaining effective educators in high-need schools.

Reviewers will consider whether, in the aggregate, the strategies and incentives described by an applicant are adequate to achieve that goal. One relevant consideration will be the nature of the strategies or incentives. Another will be the size and scope of the strategies and incentives.

In the case of the financial incentives provided by the PBCS, the Department encourages applicants to select incentive amounts that are high enough to create change in the practice of the current and prospective teachers and principals. Similarly, applicants should select incentive amounts that educators will perceive as a sincere recognition for the important work they do. An applicant might consider factors such as cost of living, labor statistics, and relevant research studies, among others, when providing a rationale for the chosen incentive amounts.

S. Selection Criterion (b)--Rigorous, Valid, and Reliable Educator Evaluation Systems

S-1. For purposes of Selection Criterion (b)(1), what is an evaluation rubric?

An evaluation rubric describes all the various pieces that make up the educator evaluation system, and how the LEA will use each piece to generate an overall evaluation rating. An evaluation rubric describes the degree to which observation scores, the student growth score, and the additional factors will be considered in determining the educator's overall rating.

Applicants should discuss each of its educator evaluation systems (e.g., the one for teachers and the one for principals) when responding to Selection Criterion (b)(1).

S-2. How can an applicant demonstrate that it has finalized a high-quality evaluation rubric when responding to Selection Criterion (b)(1)?

In determining the extent to which an LEA's educator evaluation rubric is finalized, the Department will assess the extent to which all the pieces of the evaluation rubric are in place. An applicant may demonstrate a finalized high-quality evaluation rubric in a variety of ways, such as by discussing the components of the rubric and providing documentation of the rubric itself. Applicants may also provide such items as: evidence of a school board vote approving the rubric, educator guides explaining the rubric, and/or a bargaining agreement that includes or references the rubric. As noted in Selection Criterion (b)(1), the rubric must have at least three performance levels.

S-3. For purposes of Selection Criterion (b)(2)(ii), what should an applicant consider in providing evidence demonstrating the comparability of assessments used to determine student growth?

Selection Criterion (b)(2)(ii) will be used to judge an applicant's response to the requirement in the definition of "student growth" that the assessments used to measure the change in student achievement be rigorous and comparable across schools within an LEA. This

requirement applies for all assessments measuring a change in student achievement, and not just those assessments measuring change in a subject or grade level under section 1111(b)(3) of the ESEA. The Department has not prescribed a single manner in which an applicant must respond to this component of the selection criterion. For example, for teachers teaching the same subject and the same grade level, an applicant may want to describe the evidence that the content and rigor of the assessments used in one school are comparable to the content and rigor of the assessments used in another school in the district. Another example might be for teachers teaching the same subject at different grade levels, an applicant may want to describe the evidence that the rigor of the assessments is comparable from one grade level to another. Moreover, since the measures used to evaluate teacher performance should be comparable regardless of what grade or subject a teacher teaches, an applicant may want to address the extent to which evidence shows that the rigor of the assessments is comparable across content areas and grade levels. There may be other ways in which an applicant may want to address the comparability of assessments. Reviewers will consider the quality of the evidence provided and the ways that an applicant considers the comparability of its assessments.

S-4. Selection Criterion (b)(3) evaluates “each [LEA’s] substantial progress in developing a high-quality plan for multiple teacher and principal observations.” How much progress is considered “substantial?”

Selection Criterion (b)(3) enumerates several factors that should be included in the high-quality plan for observations: identification of the persons, by position and qualifications, who will be conducting the observations, the observation tool, the events to be observed, the accuracy of raters in using observation tools, and the procedures for ensuring a high degree of inter-rater reliability. Peer reviewers will use their professional judgment to determine if an applicant has addressed all or most of the factors, in a high-quality way, for both teacher and principal observations, and thus has made substantial progress in developing the plan.

S-5. To what extent must an educator’s overall evaluation rating be based on student growth in order for student growth to be considered significant?

When applying Selection Criterion (b)(5)(i) and (6)(i), reviewers will consider the extent to which a teacher’s and principal’s overall evaluation rating is based, in significant part, on student growth. The Department has not defined what amount of the overall rating must be based on student growth in order for it to be “significant.” If an LEA gives the student growth component of the evaluation rubric a percentage weight in deriving the overall evaluation rating, the applicant should justify why it believes that percentage is significant. If an LEA does not use a percentage weight approach, the LEA should explain the approach it uses and how the student growth component is a significant factor in deriving the overall rating. One way an applicant can show that student growth is a significant factor in deriving the overall rating is to explain the impact various levels of student growth would have on the overall rating. (See E-12.)

T. Selection Criterion (c)--Professional Development Systems to Support the Needs of Teachers and Principals Identified Through the Evaluation Process

T-1. Does Selection Criterion (c) apply only to the plan for professional development for educators in high-need schools?

Selection Criterion (c) only applies to an LEA's professional development plan for educators in the high-need schools that the applicant lists in its application in response to Requirement 3(a). When responding to Selection Criterion (c)(1), applicants should describe how the LEA will use data from the educator evaluation systems to inform and plan professional development for both teachers and principals.

However, the Department recognizes that LEAs should also have a high-quality professional development plan for their entire district that aligns with the LEA's vision of instructional improvement. In responding to Absolute Priority 1, an applicant may want to describe how professional development fits into the LEA-wide HCMS. This broader system, however, is relevant to Selection Criterion (a).

U. Selection Criterion (d)--Involvement of Educators

U-1. In responding to Selection Criterion (d), how can an applicant show the quality of educator involvement in, and support of, the design of the proposed PBCS and evaluation systems?

The quality of educator involvement is based, in part, on the extent to which teacher and principal involvement has been and, in the future, will be, extensive. For example, evidence of extensive involvement may include evidence that the LEA conducted a number of focus groups with educators during the design phase.

The quality of educator involvement is also based, in part, on evidence that educators support the PBCS and the educator evaluation systems. One way an LEA may show strong support of the PBCS is through a vote in support of the PBCS within the schools that will implement it. Another way an LEA may present strong support is through a letter from its teacher and/or principal union (where one exists) outlining its support for each element of the PBCS and educator evaluation system. The relevance of such a letter will depend on whether the application indicates, under paragraph (c) of Requirement 2, that a union is the exclusive representative of teachers or principals. (See Section K.)

V. Selection Criterion (e)--Project Management

V-1. In responding to Selection Criterion (e)(1), must the applicant already have the key personnel on staff when it submits the TIF application?

No. The application should clearly articulate the roles and responsibilities of the positions that will carry out the project. Reviewers will use their professional judgment to determine whether the proposed staffing of the project is reasonable, and whether the staffing plan proposed by the applicant will achieve the timelines specified in Selection Criterion (e)(5).

V-2. Does the Department expect the project to have a full-time project director when allocating human resources and budgeting costs?

Not necessarily. The Department expects an applicant to allocate human resources to the project that align with the project activities, tasks and goals to be achieved during the grant period.

V-3. In responding to Selection Criterion (e)(5), does the Department expect the timelines to meet certain deadlines?

Yes. As part of the management plan, the applicant must propose timelines for (1) implementing the components of the HCMS, PBCS, and educator evaluation systems, including any proposal to phase in schools or educators, and (2) successfully completing project tasks and achieving objectives. These timelines must meet or exceed the timeline requirements within Absolute Priority 1 and Absolute Priority 2. For example, under Absolute Priority 1, the PBCS in high-need schools identified in the application in response to Requirement 3(a) must be in place by year 3 of the grant project period. Under Absolute Priority 2, the educator evaluation systems must be implemented LEA-wide no later than the beginning of year 3 of the grant's project period. (See D-9 and E-17.)

W. Selection Criterion (f) Sustainability

W-1. In responding to Selection Criterion (f)(1), may applicants propose to use non-TIF Federal funds as part of their contribution of non-TIF resources to support the PBCS and educator evaluation systems during and after the grant period?

Yes. In identifying and committing non-TIF resources to the project, an applicant may propose to use non-TIF Federal funds to carry out activities and tasks associated with the TIF project. An applicant should pay particular attention to the allowable uses of any non-TIF Federal dollars they plan to put toward the TIF project to ensure that they may be used for TIF activities. For example, LEAs may choose to spend their ESEA Title II-A funds on providing professional development to educators based on their evaluation results because professional development in core academic subjects is an allowable use of these Federal funds. Under EDGAR sections

74.23(a)(4) (for nonprofit organizations) and 80.24(a) (for SEAs and LEAs) (34 C.F.R. § 74.23(a)(4) and 80.24(a)) , non-TIF contributions must generally be used for services and activities that would be allowable if charged to TIF funds.

X. Selection Criterion (g) Comprehensive Approach to Improving STEM Instruction

X-1. Are the financial and nonfinancial strategies and incentives for the TIF Competition with a Focus on STEM different from those for the TIF General Competition?

No. Like applicants for the General TIF Competition, an applicant to the TIF Competition with a Focus on STEM should develop a set of incentives that will achieve the outcomes and goals of the project. Because applicants applying to the TIF Competition with a Focus on STEM must include in their application an emphasis on improving educator effectiveness in STEM instruction, they should ensure that the financial and nonfinancial strategies and incentives proposed are adequate for attracting effective STEM educators.

X-2. What are examples of nonfinancial strategies and incentives for attracting effective STEM educators to work in high-need schools?

Selection Criterion (g)(1) does not require that the nonfinancial incentives for STEM educators be different from those proposed under Selection Criterion (a)(2)(v)--A Coherent and Comprehensive Human Management Capital System (HMS); however, the nonfinancial incentives proposed (in combination with the financial incentives provided through the proposed PBCS) must be adequate for attracting effective STEM educators. Also, as Selection Criterion (g)(3) encourages applicants to incorporate non-TIF funds in the implementation of their comprehensive plan, it is likely that some nonfinancial incentives will be supported by non-TIF funds. Examples of such nonfinancial incentives may include: working condition improvements, opportunities to collaborate with other STEM educators, and increased access to high-quality instructional resources and materials.

X-3. In Selection Criterion (g)(2)(b), regarding the quality of an applicant’s plan for improving educator effectiveness in STEM instruction, what is meant by proposed professional development opportunities that enable STEM teachers to provide students in high-need schools with “rigorous and engaging STEM coursework appropriate for students’ grade levels, including college-level material in high schools”?

The Department has not prescribed a single manner in which an applicant must respond to Selection Criterion (g)(2)(b). However, in responding to this criterion, applicants might describe how their proposed professional development opportunities will enable STEM teachers at the secondary level to offer courses with advanced or college-level coursework – such as Advanced Placement, International Baccalaureate, and dual enrollment courses – that were previously unavailable or less available to students in high-need schools. Applicants might also describe how

their proposed professional development and other plans will enable high-need schools to offer enriched or advanced STEM instruction at the elementary level.

X-4. What evidence should applicants provide to demonstrate, in response to Selection Criterion (g)(3), that it will significantly leverage Federal, State, and local STEM program funds to implement a high-quality and comprehensive STEM plan?

The Department has not prescribed a single manner in which an applicant must respond to Selection Criterion (g)(3). However, in responding to this criterion, applicants might, for example, choose to: describe the portions of the comprehensive STEM plan that will be supported by local, State, and Federal dollars; provide in their narrative a listing of the local, State, and Federal programs that will be utilized; describe how using funds from other sources will enable the applicant to implement a more comprehensive plan than what TIF alone could support, given the restrictions under Requirement 6; or describe the proportion of the comprehensive plan that will be supported by non-TIF dollars.

X-5. To receive a strong score under Selection Criterion (g)(4), does an applicant need to have fully developed relationships with STEM experts and resources in industry, academic institutions, or associations, or may its relationships with STEM experts and resources still be in the planning phase at the time of application?

We anticipate that an applicant may receive a strong score regardless of whether its relationships with these kinds of experts and resources are fully developed or are in the planning stages. In addressing this criterion, applicants are encouraged either to provide evidence that they already have fully developed relationships or to provide evidence that future relationships will be developed, given current outreach efforts.

Y. Budgets

Y-1. What is the budget period for TIF grants?

Under the TIF grant program, awards are made for up to a 60-month performance period. However, awards are made for a single budget period at a time, and that period is typically 12 months.

Following the initial award, any subsequent award of funds is contingent on the level of Congressional appropriations for TIF and a grantee's satisfactory performance under the grant. These subsequent awards are known as "continuation awards."

Y-2. On the SF-424 form, under "Estimated Funding," what amount should an applicant enter -- the budget request for the first 12 months of the project or for the entire 60-month period?

An applicant should enter the amount of its budget request for the first 12 months of its project.

Y-3. May an applicant request an annual award amount that increases over time? For example, may an applicant request \$1 million in Year 1, \$5 million in Year 2, and \$8 million in Year 3 as the project expands to reach full implementation of the LEA-wide evaluation system in year 3?

Yes. An applicant may submit a request for increasing award amounts in succeeding budget years and explain the basis for its proposed budgetary increases in its budget narrative. However, an applicant should bear in mind that the Department's ability to make awards in years following the initial budget period (i.e., continuation awards) will depend, in part, on the size of future Congressional appropriations for the TIF program. Applicants that request increasing award amounts in succeeding budget years should plan on the possibility that out year costs may not be fully funded. Additionally, an applicant should consider the impact of increasing its budget request each year on the sustainability of its proposed project once the grant's project period ends particularly in view of the fact that Selection Criterion (f) concerns the quality of the applicant's plan to sustain the project after the project period ends.

Y-4. Are TIF applicants required to secure matching funds?

No. There is no specific match requirement in the FY 2012 competition. However, during the application review process, reviewers will consider the significance of an applicant's proposed contribution of non-TIF funds or in-kind resources when evaluating an applicant's sustainability plan (Selection Criterion (f)). Applicants should clearly set forth in the budget narrative the amount of non-TIF funds or in-kind resources they are committing to the project for each budget year, the costs these funds will support, and the source of the non-TIF funds that will be contributed. If the non-TIF funds are non-Federal, those funds should also be reflected in section B of ED Form 524. If the non-TIF funds are Federal, the applicant should include in the budget narrative section of the application a table that clearly describes, by year, the source, amount, and proposed use of any non-TIF Federal funds that the applicant proposes to contribute to the proposed TIF project.

Y-5. When an applicant commits non-TIF funds to the proposed project, does this create a legal obligation to fulfill the commitment?

Yes. Section 75.700 of the Education Department General Administrative regulations (EDGAR) (34 C.F.R. 75.700) requires each grantee to comply with the content of its approved application. Therefore, if an application is approved, the grantee is responsible for fulfilling the commitment of non-TIF funds or in-kind resources set forth in Section B of ED Form 524 included in its application and any commitment of non-TIF Federal funds identified in the application. (See Y-4.) Grantees are required to meet these commitments and to report on the extent to which they have been met in their annual performance reports.

Y-6. What should be included in the budget narrative?

As explained in the application package, an application should include two budget narratives. One narrative should provide a detailed description of how the applicant plans to use its requested TIF grant funds. The second narrative should provide a detailed description of how the applicant plans to use its commitment of non-TIF funds or in-kind resources.

The budget narrative should be of sufficient scope and detail for the Department to determine if the costs are necessary, reasonable, and otherwise allowable, and for the reader to understand how the applicant proposes to use Federal and non-Federal funds to support the proposed project. For further guidance on Federal cost principles, an applicant may wish to consult the applicable Office of Management and Budget (OMB) Circulars: OMB Circular A-87 (for SEAs and LEAs) and A-21 (for nonprofit organizations). (To review these Circulars, go to www.whitehouse.gov/omb/circulars.)

Additionally, the “Budget Narrative” section of the application package provides extensive detail, including examples, on how an applicant might present the assumptions on which the proposed performance-based compensation costs are based.

Y-7. In the case of a group application, how should the budget describe and value any materials and services that would be provided by a group member?

If a group member plans to contribute services or materials as part of the project's contribution of non-TIF resources, the value of these services or materials should be indicated in Section B of ED Form 524. The value of these services or materials should be calculated according to provisions of EDGAR (§80.24 for LEA and SEA contributions and §74.23 for non-profit organizations) and cost principles in applicable OMB Circulars. (See Y-6 for the relevant circular numbers and a link to the circulars themselves.) In addition, the application should include a detailed description of these services or materials in the budget narrative for Section B.

Y-8. If a State or LEA currently funds a performance-based compensation system using State or local funds, may the SEA or LEA use TIF funds to replace some of the State or local funds?

Unlike many Federal grant programs, the TIF program does not have a “supplement, not supplant” requirement. Therefore, there is no statutory bar to using TIF funds to supplant State or local funds. However, any supplanting proposed in a TIF application could affect how reviewers assess the sustainability of the project under Selection Criterion (f). Additionally, like any Department grantee, TIF grantees would need to ensure that all Federal costs are reasonable and necessary per established cost principles in the applicable OMB Circulars. (See Y-6 for the relevant circular numbers and a link to the circulars themselves.)

Y-9. Must a grantee wait until the start of the initial budget period to begin incurring costs that grant funds will reimburse?

No. TIF funds are available to reimburse a grantee for pre-award costs that are reasonable, necessary, and otherwise allowable when these costs were incurred within 90 days prior to the beginning of the grant's initial budget period. For instance, a grantee with a budget period start date of October 1 may begin carrying out tasks for the new project as early as July 1, although it cannot draw down any payments until at least October 1 -- when the grant has been awarded and the initial budget period has begun.

However, until notified of its receipt of a grant award, an applicant bears the risk of committing its own funds to these pre-award obligations. If the applicant is not awarded a TIF grant, the Department will not reimburse the applicant for any costs the applicant incurred in anticipation of a possible grant award.

Y-10. For Sections A and B of ED Form 524, where should an applicant include its estimate of the costs to make payments of performance-based compensation under the proposed PBCS?

As explained in the "Budget Narrative" section of the application package, an applicant has two options for presenting performance-based compensation costs in its budget narratives and on ED Form 524. Which option to choose depends on whether the applicant plans to pay fringe benefits on the compensation. If an applicant plans to apply a fringe benefit rate to the compensation, it should include this additional compensation in the "Personnel" line item and reflect the costs related to the fringe benefit rate in the "Fringe Benefits" line item. However, if an applicant does not plan to apply a fringe benefit rate to the compensation, it should include the performance-based compensation costs in the "Other" line item.

Clarification of these proposed costs should be included in the budget narratives. The application package provides an example of how these costs should be presented.

Y-11. Can applicants budget for "training stipend" costs on ED Form 524?

No. These costs are not allowable for this program. All applicants must complete the "training stipend" line item with a "0."

Y-12. Can applicants budget for costs of educators related to their attendance at professional development events?

Yes, under certain circumstances. Under Requirement 6, TIF funds cannot be used to compensate educators except as part of the PBCS in high-need schools identified under Requirement 3. There are only two exceptions to this restriction: TIF funds can be used to compensate educators who have been hired to administer the TIF-funded project. TIF funds can also be used to compensate educators who attend professional development or training but only if the professional development or training is designed to address needs identified through the educator evaluation process and occurs outside the educators' regular duty day.

Y-13. If an applicant intends to charge indirect costs to the grant, what documentation should it submit with its application?

If an applicant has a current indirect cost rate, it should submit a copy of its current indirect cost rate agreement, including its current rate. Please see the application package for additional information on how to submit this information as an attachment.

If an applicant does not have a current indirect cost rate agreement, it does not need to submit any documentation regarding indirect costs with its application. But, to be able to charge indirect costs to the grant, this applicant will need to follow the procedures described in the following sections. The applicant should include any proposed indirect costs in its proposed TIF-supported budget and budget narrative.

Y-14. If a grantee fails to propose indirect costs in the budget it includes as part of its application, may it charge indirect costs to the grant, if one is awarded?

During the Department's budget review process, which occurs prior to grant award, the Department reviews each applicant's requested budget. If the requested budget does not include these estimated indirect costs, they will not be included in the budget approved by the Department that forms the basis of the grant award. This means that, after award, a grantee would only have funds with which to charge indirect costs to the grant if the approved direct costs of the grantee's project for any budget period exceed the grantee's actual direct costs. Where this occurs, the grantee may submit a requested budget revision to the Department program office to use the excess funds budgeted for direct costs to cover its indirect costs.

Y-15. If an applicant does not have an indirect cost rate agreement, may it still include indirect costs in the budget it proposes in the application?

Yes. An applicant that does not have an indirect cost rate agreement at the time of application should identify the amount of its requested indirect costs in the proposed budget of its application. These proposed indirect costs should be calculated using a temporary rate of ten percent and that rate should be applied to all direct salaries and wages. See 34 C.F.R §75.560(c).

Y-16. If, at the time it receives its TIF grant award, a grantee does not have an approved indirect cost agreement, may it still charge indirect costs to the TIF grant?

A grantee that does not have an indirect cost agreement at the time of application may still be able to charge indirect costs to the TIF grant until it receives an approved rate if the Secretary approves the grantee's request to use a temporary rate of ten percent of budgeted direct salaries and wages. However, after the grant award is issued, the grantee must expeditiously take steps to obtain an indirect cost rate.

To get an indirect cost rate agreement, a successful applicant that is an SEA or nonprofit organization must submit an indirect cost proposal to its cognizant Federal agency within 90 days

of receiving its TIF grant award notification. See section 75.560(b) of EDGAR (34 C.F.R. §75.560(b)). (The cognizant Federal agency is generally the Federal department or agency providing the grantee with the most Federal funding subject to indirect cost support or an agency otherwise designated by OMB.) If the grantee is an LEA, however, the grantee should contact its SEA to obtain an indirect cost agreement. The grantee should inform ED that it has taken this step and forward to the ED program office the indirect cost rate agreement that it eventually obtains.

For additional information about obtaining an approved indirect cost rate or applying for an indirect cost rate, contact the Department's indirect cost group at IndirectCostGroup@ed.gov.

Y-17. Do TIF grantees calculate indirect costs using a restricted or unrestricted indirect cost rate?

TIF grantees may use a restricted or unrestricted indirect cost rate.

Y-18. In the case of a group application, what indirect cost rate should be used?

The entity that applies on behalf of the group, whether or not the group is a partnership that includes a nonprofit organization, is the lead applicant and fiscal agent. Any eligible entity – an SEA, an LEA, or a nonprofit organization -- can be the lead applicant and fiscal agent in a group application.

Because Requirement 4 makes each member of a group a grantee, each member of the group may charge indirect costs at a rate not to exceed its own approved indirect cost rate on the direct cost base of TIF funds that it obligates. E.g., the lead applicant only charges indirect costs on funds that it obligates, not on funds that it provides to another member of the group for that member to obligate.

Y-19. When direct costs include equipment and large contracts, how are these costs treated in the calculation of a grantee's indirect costs?

The terms of the applicable indirect cost agreement govern this issue. In general, the indirect cost rate is applied to direct costs to calculate the indirect costs that can be charged to a grant. However, many indirect cost rate agreements exclude from the direct costs used for this calculation equipment costs and contractual costs that exceed the first \$25,000 of each contract. Each applicant should consult its own indirect cost rate agreement to determine which expenses can be included in direct costs when calculating indirect costs.

Appendix I: Group Applications

Some FAQs are of particular relevance to group applicants, including the following:

A-2 through A-7

B-5

D-2

G-5 and G-8

L-1

M-1 through M-13

N-2

O-3