Please Note: According to USDE guidance, developing an evaluation system for teachers and/or principals is not in itself an allowable use of Title II, Part A funds; however, developing such systems that inform decisions on professional development, promotion, retention, compensation, and tenure is an allowable use of program funds.

Using Title II-A Funds for Teacher/Principal Evaluations

Tied to an allowable, Title II, Part A activity (NCLB Sec.2123)
- Not tied to an allowable use
- Not an allowable use of Title II, Part A funds

Title II, Part A funds must supplement and not supplant state/local funds (Sec. 1120A(b)(1) IN GENERAL)
- Funds are not supplementing
- Not an allowable use of Title II, Part A funds

Title II, Part A funds cannot be utilized for student-specific activities
- Funds are used for student-specific activities
- Not an allowable use of Title II, Part A funds

Continue
Given the above, Title II, Part A funds may be utilized for the development of teacher and principal evaluation systems, as long as these systems are integral to the implementation of one or more of the following allowable uses as defined in the Title II, Part A regulations (see Sec. 2123 Local Use of Funds http://www2.ed.gov/policy/elsec/leg/esea02/pg22.html#sec2123). More specific examples follow:

**Section 2123(a)(3)(A)(B):** Permits LEAs to support activities that ensure teachers are able to use challenging State academic content standards and student academic achievement standards, and State assessments, to improve instructional practices and improve student academic achievement. An evaluation system could play a role in such an effort.

**Section 2123(a)(4)(A) through (D):** Permits for the development and implementation of mechanisms to assist LEAs and schools to effectively retain highly qualified teachers and principals. An evaluation system that could feed into a program for teacher and principal retention would be such a mechanism.

**Section 2123(a)(5)(C):** Permits LEAs to use funds to reform tenure systems. An evaluation system could play a role in determining which teachers earn tenure.

**Section 2123(a)(5)(D):** Permits LEAs to develop merit-based performance systems and strategies to provide differential and bonus pay for teachers in high-need academic subjects such as reading, mathematics, and science and teachers in high-poverty schools and districts. An evaluation system could serve as a means for determining which educators were eligible for increased performance-based pay.

**Section 2123(a)(6):** Permits LEAs to develop and implement professional development programs for principals that enable the principals to be effective school leaders and prepare all students to meet challenging State academic content and student academic achievement standards. An evaluation system could assist LEAs in assessing the professional development needs of principals and could also help steer principals toward professional development that addresses such needs.

**Section 2123(a)(8):** Permits LEAs to develop teacher advancement initiatives that promote professional growth and emphasize multiple career paths and pay differentiation. An evaluation system could play a role in such an effort.