In August 2005, Governor Perry issued an executive order establishing a minimum standard for school district spending on instruction at 65 percent. The order notes that public schools must maximize the percentage of funds directed toward instruction to maximize student achievement. By prioritizing instructional spending, the governor’s order requires schools to focus on their core mission—student learning.

Students benefit when schools restructure their financial priorities and shift more money to classroom instruction. The relationship between spending and learning is clear. Student achievement rises when schools devote a larger portion of their budgets to instruction. Schools that invest a higher proportion of total spending on instruction generally outperform schools investing a lower proportion.

Gains are most significant when schools shift dollars to regular classroom instruction, decreasing the proportion of each dollar devoted to such things as adult education and special educational programs. Disadvantaged students particularly benefit when schools devote the largest part of each education dollar on regular classroom instruction.

How schools spend money matters a lot. Over the past several decades, researchers have developed an intimate knowledge of the relationship between spending and learning, and they report:


- In a study of 21 school districts in Texas, districts with higher academic performance were found to spend more per pupil on instruction and regular classroom instruction than comparison districts. The study concludes “there is a relationship between resource allocation and student performance.” “Examination of Resource Allocation in Education: Connecting Spending to Performance,” Southwest Educational Development Laboratory and the Charles A. Dana Center, University of Texas, Austin, TX, 2000, vi-x.
education programs. The study notes that more effective resource allocation can help school districts achieve the goal of high academic performance of all students. “Resource Allocation Practices and Student Achievement,” Southwest Educational Development Laboratory and Charles A. Dana Center, University of Texas, Austin, TX, 2000, 1 and 32.

♦ An extensive list of national research about the importance of resource allocation in raising student achievement is made available by the Consortium for Policy Research in Education at the University of Wisconsin-Madison (CPRE), at http://www.weer.wisc.edu/cpre/publications/allocation.php.

The importance of resource allocation should be recognized, but not confused with the unfounded belief that schools need more money to improve student achievement. The research is very clear about the futility of depending on increased spending on schools or students to improve achievement. Researchers report:

♦ There is not a close relationship between the amount of money spent and student performance when national spending and scores on the Third International Mathematics and Science Study (TIMSS) were compared. Eric A. Hanushek, “Publicly Provided Education,” Handbook of Economics, Vol. 4, Edited by A. J. Auerbach and M. Feldstein, Elsevier Science B.V., 2002, 2060.


Although expectations for student achievement have risen over the past decade, Texas public schools have not changed their budgets to shift a greater percentage of education dollars to the classroom. In fact, the percentage has actually decreased over the past decade. Today, Texas public schools invest 60 percent in the classroom, according to the National Center for Education Statistics’ 2005 report on public schools (a number that is different from the TEA’s because NCES uses a more expansive method of calculating expenditures). The National Center reports that twenty states now surpass Texas in the percentage of total education spending that is invested in classroom learning.

Texas could channel an extra billion dollars annually into classrooms by increasing instructional funding from 60 to 65 percent—and improve student achievement without increasing overall spending. As schools strengthen their financial investment in the classroom, schools will be better able to concentrate on their core mission and do a better job in equipping students with academic knowledge and skills.

Research suggests that state policymakers are moving Texas in the right direction by targeting more education dollars for instruction. Although research does not say that a specific percent is optimal, establishing a higher standard for instructional spending in Texas public schools offers all students a greater opportunity for success.

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PB 16-2005