

# Brief

## House Bill 2

### *Mandate for 65 Percent Spending on Classroom Instruction*

By Chris Patterson

#### **Policy Problem**

The conference committee is now meeting on HB 2. Legislators report strong, organized opposition to a provision that requires schools to devote at least 65 percent of available funding to core classroom instruction—math, science, social studies, and English. School district administrators and groups that represent their perspectives claim that this provision will leave schools high and dry when it comes to funding for enrichment courses, athletics, and vocational education.

This complaint holds no water. First, because state and federal statutes protect funds for some programs, such as vocational and special education, from being used for anything but specified activities. Second, 35 percent of operating funds should be more than sufficient to cover the cost of electives that represent a small fraction of the school day.

However, there may no longer be sufficient funds for non-instructional things like legal counsel, lobbying fees, association memberships, chamber of commerce donations, paved tennis courts, planetariums, cultural training, day care, adult parenting classes, and 200-acre nature preserves.

The 65 percent spending baseline is a critically important tool for improving student performance and should be preserved in HB 2. How can the conference committee assuage concerns that the 65 percent spending baseline will not allow schools to afford to provide all accredited courses?

#### **Solution**

To ensure the 65 percent spending baseline applies broadly to classroom instruction, the legislature should link the baseline to the definition of instructional expenditures established by the National Center for Education Statistics. This definition is less restrictive than language currently associated with the 65 percent baseline, but more restrictive than the new definition of instructional expenditures that is introduced in HB 2—a definition which promises to obfuscate school spending because it labels almost everything that schools do as instructional. The NCES definition of instructional expenditures is a little less inclusive, but consequently more informative, than the current definition used by the Texas Education Agency. Below is a comparison of the three definitions.

#### *NCES Definition of Instructional Expenditures*

Instructional expenditures are current expenditures for activities directly associated with the interaction between teachers and students. These include teacher salaries and benefits, supplies (e.g. textbooks), and purchased instructional services. These expenditures are distinguished from:

- ◆ Noninstructional Expenditures, such as food services as well as interscholastic athletics;
- ◆ Other program Expenditures, such as community services and adult education; and
- ◆ Support Expenditures, such as operation and maintenance of buildings, school administration, student support services (e.g. nurses, guidance counselors, therapists), student transportation,

instructional staff support (e.g. librarians, instruction specialists, school district administration, business services, research and data processing).

### *HB 2 Definition of Instruction Covered by the 65 Percent Spending Baseline*

Expenditures for direct instructional activities include expenditures directly related to classroom instruction for courses in the foundation curriculum described by Section 28.002 (a) (1) and subject to assessment under Subchapter B, Chapter 39 and do not include programs and services that are provided at the district's discretion.

### *HB 2, New Section 44.0073 Definition of Instructional Costs*

"Direct Instructional Costs" includes a school district's expenses related to instruction, instructional resources and media services, curriculum development, instructional staff development, instructional leadership, school leadership, and evaluation and counseling services.

## **Key Research & Facts**

- ◆ There is sound research evidence indicating:
  - How schools spend money is much more important than how much money schools have to spend; and
  - Student performance rises when schools increase the percentage of total operating funds devoted to classroom instruction.
- ◆ According to NCES calculations of instructional expenditures, 20 states devote a bigger share of each education dollar to classroom instruction than Texas.
- ◆ Most Texas public schools prioritize dollars for non-instructional and support functions

over investing in the classroom; instructional spending has fallen behind spending on other functions over the past decade.

- ◆ A recent poll shows 78 percent of Texans support the legislative minimum for classroom spending and the percent rose to 91 when Texans learned this would put 1.6 billion additional dollars in the classroom without raising taxes.
- ◆ Adopting the NCES definition of instructional spending would provide more detailed information about school spending that would help legislators make more informed decisions about school funding, help schools allocate resources more effectively, and help taxpayers hold schools more accountable. It would also facilitate ready comparisons between schools in Texas and other states.
- ◆ Converting to the NCES definition would be easy for Texas because the TEA already uses the NCES definition of instructional expenditures for by federal reporting and already captures this form of data.

## **Policy Recommendation**

Require schools to report instructional expenditures according to the NCES definition and use this definition as the basis for expenditures covered by the 65 percent spending baseline.



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