The purpose of this quantitative study was to increase the knowledge base on the relationship between categorical educational spending and how resource allocation impacts district effectiveness. The independent variables are overall expenditures per ADA, average teacher salary, expenditures on instructional salary per pupil, expenditures on instructional support salary per pupil, and expenditures on professional development per pupil. The dependent variable for the study was district effectiveness as measured by MSIP V scores, the method by which school districts in Missouri are accredited. Data was used from all K-12 school districts in Missouri for the 2012-2013 school year.

The variable that had the most significant positive impact on district effectiveness was expenditures on instructional salary per pupil. This variable can be compared to a student to teacher ratio. There was a significant positive relationship between districts with higher expenditures on instructional salary per pupil and district effectiveness. Average teacher salary and expenditures on instructional support salary had no significant impact on district effectiveness. Overall expenditures per ADA and professional development expenditures per pupil had a significant negative impact on district effectiveness. These negative relationships could be explained by how districts are funded and also the absence of time consideration for this study.