

Understanding School Finance: A Community Perspective

School finance impacts every student, staff member, and taxpayer in our district. It's the foundation for providing quality education, maintaining facilities, and supporting programs. But school funding can be complex. Here's a simplified look at how it works and why it matters to our community.

Where Does the Money Come From?

Public schools are funded through three primary sources: local, state, and federal revenues. Locally, property taxes provide approximately 12% of annual revenue to the Caledonia Area Public School District. These funds support day-to-day operations like teacher salaries, classroom supplies, and building maintenance. State funding, determined by a formula set by the legislature, plays a crucial role in balancing the needs of districts with varying property wealth. State Funding sources supply approximately 80% of CAPS annual revenue. Federal dollars, while smaller in percentage (Approximately 2%), target specific programs such as special education, school lunches, and Title I services for at-risk students. The remaining 6% of revenue comes from other sources such as grants, fees, admission to sporting events etc.

How Is the Money Spent?

School budgets focus on student success. Most funding—typically 70-80%—is spent on instruction. This includes teacher and staff salaries, classroom materials, and technology. Another portion supports facilities, transportation, and extracurricular activities. Each year, the district prioritizes spending based on student needs, academic goals, and community feedback.

The Challenges of School Finance

Managing school finances is a balancing act. State and federal funding often come with restrictions, meaning those dollars must be spent in specific ways. Meanwhile, inflation and rising costs can outpace revenue growth, creating budget gaps. Additionally, unfunded mandates—programs required by law but not funded—add to financial strain.

Why Your Support Matters

Local support is critical. Referendums, for instance, allow districts to raise additional funds for essential needs. Your vote and involvement in these decisions directly shape the educational experience of our students.

By understanding how school finance works, you can see its impact on our district's ability to provide a well-rounded education. Together, we can ensure our schools remain a source of pride and opportunity for every student in our community.

For questions or more details about school finance, please contact Craig Ihrke at the district office. (507) 725-3389