

CONNECT NS

News from the Association of Metropolitan School Districts

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Volume 24
Number 1

Elk River High School Teams with Central Minnesota Habitat for Humanity for Hands-On Learning Opportunity

October 30, 2026
Executive/Legislative Committee Meeting
7:30 a.m. - 9 a.m.
Anderson Center
Bethel University
Arden Hills

November 6, 2026
Board of Directors Meeting
7 a.m. - 9 a.m.
Quora Education Center
NE Metro 916
Little Canada

November 10, 2026
Annual Conference
7:30 a.m. - 1:30 p.m.
Minneapolis Marriott
Northwest
Register here:
[2026 Conference](#)

November 20, 2026
Executive/Legislative Committee Meeting
7:30 a.m. - 9 a.m.
Anderson Center
Bethel University
Arden Hills

The ISD 728 CTE program has, over the past decade, already provided dozens of opportunities to give students hands-on experiences in learning. From sheds to on-site training, DECA presentations to culinary competitions, the district is nationally recognized for its work in this area.

Now, ISD 728 — which serves the communities of Zimmerman, Otsego, Elk River and Rogers — has an opportunity to give back.

Thanks to a Housing Challenge Funds grant from the Minnesota Housing Board (to the tune of \$100,000), Elk River High School (ERHS) is teaming up with Central Minnesota Habitat for Humanity to build a new home for a family in need, most likely in the Sherburne County area.

It's a first for ERHS, but Central Minnesota Habitat for Humanity has been teaming up with other school campuses and classes to provide housing for dozens of families in its service areas, which includes ISD 728 communities. Sauk Rapids-Rice, for example, has built a handful of homes through the program, which has expanded thanks to the Challenge Fund Grant.



The site for the Elk River High School construction class's Habitat for Humanity home takes shape in the school's parking lot.

Here in Elk River, the job site has taken shape. Concrete was poured over the asphalt on an edge of the ERHS bus lot during the last week of August, creating a building pad on the northeast side of the campus. To protect building materials and the crew constructing the home, there has been fencing placed around the site, providing

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I was pleased to learn that MDE Commissioner Willie Jett is convening a statewide task force to review Minnesota's current assessment system and develop recommendations for reform. This has been an AMSD [legislative priority](#) for several years. I was excited to see several AMSD superintendents and research and evaluation directors will serve on the committee. Four students and four parents will be selected to serve on the task force through an application process. I encourage AMSD members to share the [adult](#) and [student](#) applications with your school community. Applications are due by October 9. Thank you for your continued advocacy for our schools!

From the AMSD Chair, Alison Sherman, Stillwater Board Member

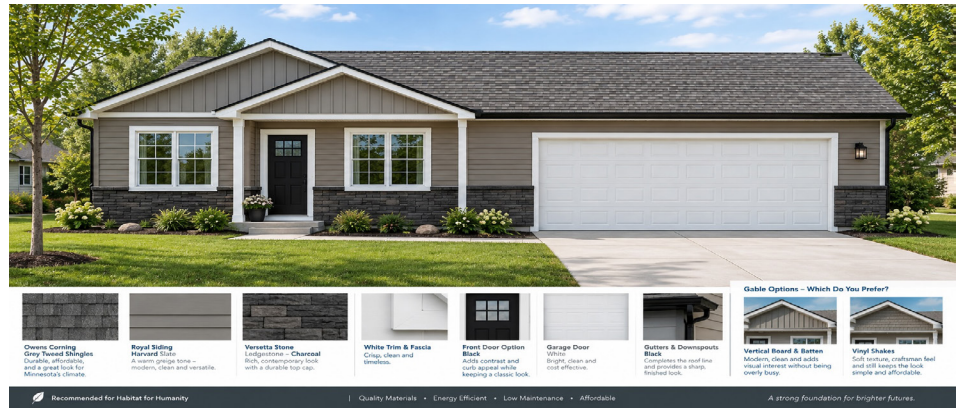
Connecting Math, Communications and Physics

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security. Block and beams have also been placed so the house is mobile once it's ready to go.

Over the school year the new home will take shape, including everything from drywall to HVAC, siding to shingles. Partnerships and donations including insulation and more essentials will stretch that \$100,000 even further.

"The community has come forward with some key donations and [ERHS teacher] Mr. Tim Hahn has had some industry partners step up. It's really a project that is set for success. I think the most exciting part will be visiting the job site and seeing our future workforce in action," CTE Coordinator Amy Lord said.



A rendering of the completed project, a livable home that will be moved by crews once ERHS students finish the construction.

ERHS has made inroads with partners before, teaming with Cornerstone Auto of Elk River and Plymouth to enhance its automotive programs. This new venture will be very much in the same vein, with those partnerships giving students a new opportunity for hands-on learning.

"It's going to be so exciting to see the students do something they couldn't replicate at scale in a classroom," said ERHS Principal Mike Zeman. "We're seeing partners from the community who are strongly supporting this and stepping forward. Mr. Hahn is making partnerships in the community to make it all move ahead. I'm ecstatic to see the results."

Hahn said there's a buzz around the project that he can feel in the ERHS hallways. "We had 12 students in the class last year [building sheds and smaller structures], and now we have 40. That tells me that everyone is ready for this amazing new way for all of us to learn."

The Habitat for Humanity home project pays off for students in an additional way — as those in the class can earn college credit by participating in the project. "We're working with Lake Superior College [in Duluth] to make that happen. They [students] were pretty excited when the news about that broke," Hahn said.

A classroom portion of the program will introduce students — particularly those who are under 18 — to construction planning and drafting. It connects math, communication and physics into the project. It also gives insights into high-wage careers within the industry, Hahn said.

"We have to put this together and then fit the home onto a foundation that's miles away," he said. "So, obviously, there are some logistics that go into that. That group will get a lot of insight about how that portion of the project is executed."

For a look at the project, and a link to donate tools or materials needed to make this home possible for a family in need, [visit the ISD 728 website](#). A timelapse of the project will also be posted as the new house takes shape over the school year.

This month's member feature was submitted by Mike Schoemer, Senior Communications Specialist, ISD 728.

Blue Ribbon Commission on Special Education Releases Final Report: Looming \$250 Million Cut Could Derail Progress on Reducing Special Education Cross-Subsidy

The Blue Ribbon Commission on Special Education released its final report on Oct. 1. The commission was established by the Minnesota Legislature in the 2025 omnibus education bill and charged with developing an action plan for transforming special education services and identifying \$250 million in savings. The education bill specified that if this spending reduction target is not met, the shortfall will be automatically deducted from the special education cross-subsidy aid appropriation.

The Commission held its first meeting in October 2025 and convened regularly over the past year and thoughtfully examined a wide range of issues. The final report includes several recommendations of which the first is:

Do not enact the reductions to state special education aid recommended below and repeal the contingent reduction in special education cross-subsidy aid in Laws of Minnesota 2025, 1st Spec. Sess. chapter 10, article 7, section 8.

The report goes on to offer four recommendations to achieve the spending reduction goal:

- Eliminate the Hold Harmless provision in the state special education funding formula.
- Shift Alternative Delivery of Specialized Instructional Services (ADSIS) funding to a capped per-student allocation model outside of the special education funding formula.
- Eliminate the Special Education Charter Tuition Aid.
- Convert non-special education transportation currently in the funding formula into a separate capped funding stream with prorated reimbursement.

The report also offers recommendations to improve special education efficiency, access, quality, and long-term system change. The report comes at a time when school districts are grappling with significant budget challenges due in no small part to the special education funding shortfalls.

- [LINK: View the Blue Ribbon Commission Report to the Legislature](#)

The commission's report comes just on the heels of the release of the [FY25 Special Education Cross-Subsidies Report](#) released in early September. The "cross-subsidy" is the dollar amount by which special education costs exceed reimbursements provided by the state and federal government. Because special education services are mandated by state and federal law, school districts must use dollars from their general fund to cover the difference.

The recently released cross-subsidy report clearly shows the impact increased investments, followed by cuts, has on school districts. The statewide cross-subsidy dropped from \$724.4 million in FY23 to \$502.6 million in FY24 following the significant investments made in the 2023 legislative session. However, the cross-subsidy is projected to increase to \$560.6 million in FY26 following the special education transportation cuts approved in the 2025 session. The cross-subsidy is projected to decline in FY26 due to the phased-in increase in cross-subsidy reduction aid approved in the 2023 session before rising again in FY28 to \$568.6 million. Importantly, **that figure does not include the pending \$250 million reduction that will take effect in the 28-29 biennium under current law** and will rise much higher if that cut goes into effect.

Special Education Funding Shortfall Hits AMSD Districts Hard

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The FY25 cross-subsidy for AMSD districts totaled nearly \$390 million — more than three quarters of the statewide cross-subsidy. Reasons for the high costs vary by district but a significant challenge for AMSD districts comes with the higher costs of providing services in metropolitan areas — particularly higher labor costs. The 2025 report notes that per student (WADM) cross-subsidies range from more than \$1,241 in Minneapolis and Saint Paul to \$729 for inner ring suburbs to \$669 for outer ring suburbs to \$554 for large non-metro districts. Those amounts are significantly higher than for districts in other areas of the state.

Table 2: Special Education Cross-Subsidies FY 2025 Final

District	(A) Adjusted PU	(B) Special Education Expenditure	(C) Categorical Revenue	(D) Gross Cross- Subsidy (B-C)	(E) Adjusted General Education Revenue for Special Education	(F) Adjusted Net Cross- Subsidy (D-E)	(G) Per Adjusted Weighted Pupil Unit WADM
Totals in \$	932,686	2,983,385,103	2,265,176,395	718,208,707	139,693,955	578,514,752	620.27
By Stratum							
Minneapolis and St. Paul	66,576	309,214,216	207,447,149	101,767,067	19,097,576	82,669,491	1,241.74
Other Metro, Inner	95,705	347,219,808	250,486,480	96,733,329	20,907,687	75,825,641	792.29
Other Metro, Outer	294,431	950,064,161	706,167,654	243,896,507	46,901,901	196,994,606	669.07
Non-Metro >= 2K	206,560	651,393,013	505,148,604	146,244,409	31,801,002	114,443,408	554.04
Non-Metro 1K-2K	98,679	252,325,509	197,507,762	54,817,747	9,844,966	44,972,782	455.75
Non-Metro < 1K	93,509	216,958,387	169,747,708	47,210,679	7,332,824	39,877,855	426.46
District Totals	855,459	2,727,175,094	2,036,505,355	690,669,739	135,885,955	554,783,784	648.52
Charter Schools	77,227	256,210,009	228,671,040	27,538,969	3,808,000	23,730,969	307.29

Further complicating the challenge for school districts is the issue of “tuition billing,” whereby a serving school district or charter school is allowed to bill back significant portions of special education costs to a student’s resident school district. Furthermore, eligible charter schools that serve a special education population of 70 percent or more of the student body are able to bill back 100 percent of their expenditures to the students’ resident district. As a result, the average per pupil cross-subsidy for charter schools is just \$307. In FY25-26, AMSD districts spent nearly \$79 million of their general education revenue on special education costs for resident students attending charter schools.

While the recent investments to address the special education cross-subsidy during the 2023 legislative session provided temporary financial relief for school districts, the transportation cuts and potential \$250 million cut to cross-subsidy aid included in the 2025 Education bill could greatly exacerbate school district budget challenges.

- [LINK: View the FY25 Special Education Cross-Subsidy Report](#)
- [LINK: View the AMSD FY25 Special Education Cross Subsidies](#)