The School Infrastructure Modernization Act of 2026

Senators Tim Kaine and Mark Warner

The Problem:

The United States has 49.6 million enrolled students and 800,000 public school buildings, 40% of which were built before 1980. K-12 students are spending large amounts of time in buildings built with harmful construction materials, such as asbestos, lead-based paint, and polychlorinated biphenyls (PCBs). Studies have shown that the physical conditions of the learning environment affect educational outcomes. In other words, where you learn impacts how you learn, creating a need to modernize public school facilities.

Currently, funds used to update public school facilities comes from three sources: 1) 80% from local districts, 2) 17% from state funding, and 3) 3% from federal funding. Yet, there is an $85 billion funding gap for public school facilities across the nation. There is a proven federal tool that has successfully driven billions of dollars in private investments for the rehabilitation of old historic buildings – the Historic Tax Credit (HTC).

Since enactment in 1976, the HTC has leveraged over $135 billion in private investments for the preservation of more than 51,000 rehabilitation projects. In Fiscal Year 2025 alone, the HTC attracted over $8.64 billion of private investments for almost 3,500 historic preservation projects. In addition to successfully engaging private investors, this tax credit program also created 3.2 million local jobs. As the largest federal program specifically for historic preservation, the HTC has repeatedly proven its merits for community revitalization, creating job opportunities, encouraging economic activity, and preserving our history.

Private investments attracted by the HTC could begin to close the $85 billion funding gap to update public school buildings. However, to qualify for the HTC under current law, the renovated building cannot continue to serve as a tax-exempt school. At the same time, an otherwise eligible school building could be converted into a commercial building and qualify for the credit.

The Solution:

The *School Infrastructure Modernization Act of 2026* would allow for expenses related to school building rehabilitation to qualify for the credit even if the building remains a school. This bill would encourage private-public partnerships to update older public school facilities, which would produce better conditions for quality education, create jobs, and boost local economies and community revitalization. This legislation provides an innovative solution to bridge the $85 billion funding gap for modernizing public school facilities.

Case Study: Maggie L. Walker Governor's School for Government & International Studies:

As a Richmond City Council member and later Mayor, Senator Kaine faced challenges familiar to many municipalities – overcrowded schools, aging buildings, and limited dollars in the budget. In one particular case, he and a group of local stakeholders identified a creative solution. On one hand, the Thomas Jefferson High School was overcrowded with in-zone and magnet students. On the other hand, the Maggie Walker High School was closed, vacant, and in need of renovations. Senator Kaine and the stakeholders put together a financing package that made use of federal and state historic tax credits to renovate Maggie Walker High School and satisfied the prior use rule by consolidating the magnet program from Thomas Jefferson into a new Maggie L. Walker Governor's School for Government and International Studies. Today, some 30 years later, this is one of America's highest performing public high schools. Without the federal historic tax credit, this would have been too expensive to make happen.

Endorsing Organizations: Preservation Action, National Trust for Historic Preservation, International Well Building Institute, AFT: Education, Healthcare, Public Services, National Association of Federally Impacted Schools, American Institutes of Architects, Build America's School Infrastructure Coalition, and Historic Tax Credit Coalition