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## How can schools save their buildings?

By [Bob Hellman](#)

Across the U.S., students are sitting in freezing, molding, and all too often dangerous classrooms, as school buildings, one of America's most underfunded infrastructure areas, go ignored. School districts, in dire need of a capital infusion to address outdated buildings, may find that public-private partnerships offer a path for addressing this critical issue.

### A Major Crisis in Educational Infrastructure

Hundreds of school buildings across the U.S. are woefully underprepared for modern learning. Outdated facilities, poor digital connectivity, minimal security, and a lack of access to essential tools limit educational outcomes, especially in underserved communities.

Education facilities represent the second-largest category of underfunded infrastructure in the U.S., with a staggering \$568-billion problem affecting K–12 schools and higher education institutions. This figure encompasses the funding needed for upgrades, expansions, and deferred maintenance.

The nation's school infrastructure earned a dismal D+ in the 2021 Infrastructure Report Card from the American Society of Civil Engineers (ASCE). Many buildings are outdated and unsafe, plagued by issues like faulty HVAC systems, leaky roofs, and poor electrical systems.

The average school building was built over [50 years ago](#), leaving many facilities with hazardous materials like asbestos and lacking modern technology. Schools often rely on patchwork fixes to keep operations running, resulting in inadequate environments for learning. Even something as basic as having enough electrical outlets is a major issue for students and educators today.

The issue facing school leadership is that although every state mandates the creation of public schools, and most have some sort of prioritization mandate for their funding, most of the budget for public education goes toward operational expenses: teacher salaries, school supplies, general administration. On a per pupil basis, schools are given their funding—though it is nowhere near enough to spend on major capital projects.

Traditional funding sources, particularly municipal bonds, are increasingly limited due to growing taxpayer resistance to additional financial obligations. Historically, these bonds have funded school facilities, but passing these bonds can require more than 60% voter approval.

Underinvestment in our public education infrastructure is hurting students' performance; improved school buildings have been associated with as much as a [10% boost](#) in student test scores.

### Exploring Public-Private Partnerships in School Infrastructure

Although schools traditionally rely on public funding, some districts have turned to public-private partnerships to make necessary improvements. In this model, private partners collaborate with public entities to address infrastructure needs, sometimes through creative arrangements such as lease-back agreements. In these cases, a school district might lease an improved facility from a private partner, allowing for updated infrastructure without necessarily requiring new public funding. The cost to the district, typically a rental fee, can be absorbed within the existing budget rather than being passed on as an additional cost to taxpayers.

For school districts, balancing infrastructure needs with competing priorities can be challenging. Often, districts believe they can secure [bonds](#) to fund their own improvements, and in some cases, they do. However, addressing the full scope of current infrastructure needs may benefit from discussions involving both public resources and private partnerships.

In 2018, multiple schools in Baltimore had to shut down due to failing heating systems during the winter. The outdated infrastructure was unable to cope with extreme weather conditions, affecting students' ability to learn. A partnership among the city, the state, and private contractors helped fund improvements in HVAC systems across several schools. This involved a mix of public funding and private investment, which allowed the project to be completed more swiftly than if it had relied solely on municipal bonds.

Similarly, Denver's public schools faced high utility costs due to inefficient energy systems in their older buildings. A public-private partnership was formed to retrofit existing facilities with energy-efficient lighting, HVAC systems, and solar panels. The initiative not only reduced operational costs, but also created a healthier environment for students and staff.

### The Broader Impact of Educational Infrastructure Investments

School infrastructure is not something that communities or administrators should sit back and wait on. Education can drive regional economic growth, attracting higher-paying jobs, a more competitive workforce, and business growth. Community

investment in educational infrastructure is an investment in the future economic vitality of regions.

The U.S. education system faces a critical need for modernization, and private investment has an opportunity to play a key role in this transformation. Through targeted investments in physical and digital infrastructure, private capital can help close the gap left by public funding shortfalls, generating financial returns while making a lasting social impact. Now is the time for the private sector to leverage its resources and expertise to bring America's schools into the 21st century.

***Bob Hellman is the CEO of American Infrastructure Partners, a firm focused on addressing public infrastructure needs by connecting them with private investment solutions. This article presents insights based on industry experience and is intended for informational purposes only.***