

Fund for the Improvement of Postsecondary Education (FIPSE) Special Projects Program

Department of Education

November 12, 2025

Overview

The U.S. Department of Education’s [Fund for the Improvement of Postsecondary Education \(FIPSE\)](#) Special Projects program for Fiscal Year 2026 sets aside **\$169 million** to enhance teaching and learning in colleges and universities. This program builds on the administrations broader AI development agenda and aims to expand AI use in education. Universities, community colleges, teacher preparation programs, state systems, and the K-12 Partners will hold the grants and will rely on vendors to provide the platforms, infrastructure, and services needed to deliver these AI projects.

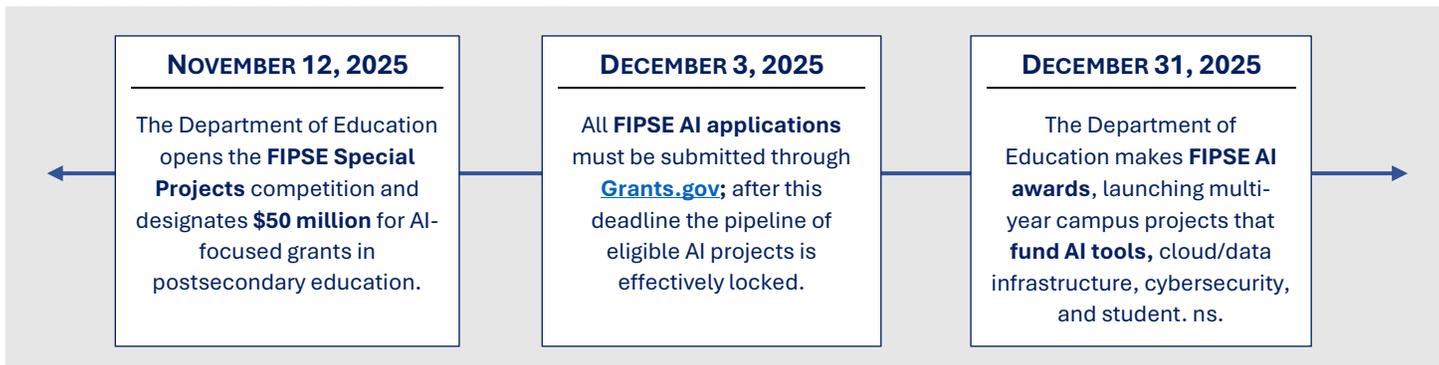
The funded projects and activities include:

- Advancing AI to Improve Educational Outcomes of Postsecondary Students:** Projects that use AI to enhance teaching, learning, and student success (AI tutoring, adaptive courseware, data-driven advising).
- Ensuring Future Educators and Students Have Foundational Exposure to AI and Computer Science:** Projects that expand AI and CS coursework, AI literacy, and teacher preparation so students and educators can use AI responsibly and be “AI-ready” for the workforce.

Pillar Priority	Directive	Impact
Pillar I: AI for Teaching & Learning	Colleges and universities should deploy AI tools that directly boost student success (tutoring, feedback, course recommendations, personalized learning).	Funding goes to institutions that can prove gains in learning and completion, driving demand for LMS-integrated AI tutors, feedback tools, analytics dashboards, and accessibility add-ons.
Pillar II: AI Literacy & Responsible Use	Institutions should make AI literacy and “responsible AI” into gen ed, teacher prep, and campus policies so students and educators know how, when, and when not to use AI.	Funding favors campuses that can scale AI literacy, creating demand for AI literacy content, micro-courses, governance toolkits, and platforms that define and monitor acceptable AI use.
Pillar III: AI for Student Services & Operations	Institutions should use AI to modernize advising, financial aid, enrollment, IT support, and other services to be faster, more efficient, and more student friendly.	Funding flows to projects that show better service and efficiency at scale, increasing demand for AI chatbots, virtual assistants, workflow automation, and integrated ticketing/CRM tools.
Pillar IV: AI & CS Workforce Pathways	Colleges, especially community colleges and teacher-prep programs, should expand AI/CS pathways, credentials, and dual enrollment, with a focus on rural and underserved students.	Funding backs institutions growing AI/CS programs tied to workforce needs, driving demand for curriculum platforms, virtual labs, certifications, badging, and K–12–college–employer connectors.

Pillar V: Governance, Data, and Infrastructure	Awardees must run AI on secure, privacy-preserving cloud and data infrastructure with strong governance, access control, and compliance.	Funding supports secure AI “hub” institutions, boosting demand for cloud/data platforms, IAM, logging/observability, security/compliance tools, and integration services.
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Timeline: KEY DATES AND MILESTONES



What Does This Mean for Vendors?

For IT and EdTech vendors, the **FIPSE AI** competition is green light to move forward with AI in education platforms, integrations, and services, supported by new stream of federal funding to postsecondary institutions.

Key take aways for vendors:

- AI is now a funded priority in higher education, creating a multi-year pipeline of initiatives that require supporting cloud, data, security, and integration capabilities.
- Institutions are likely to prioritize solutions that integrate seamlessly with existing LMS, SIS, and CRM environments and that offer robust privacy, cybersecurity, and governance features by design.
- Vendors that can deliver a combined offering of AI solutions, underlying infrastructure, and professional services (implementation, training, and ongoing support) will be best positioned to influence project design, secure FIPSE-funded opportunities, and scale as successful pilots expand across campuses.

In short, FIPSE AI is a clear buying signal for multi-year campus AI investment. Vendors that align AI solutions, secure infrastructure, and services to these priorities and partner early with funded institutions and their K–12 partners will be best positioned to win and grow.

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See more from the Carahsoft Team:

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