FEDERAL FUNDING FOR COMMUNITY COLLEGES:
What to Know As You Plan for Fy26 Grants

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March 2026

COMPETITIVE GRANT PROGRAMS FOR COMMUNITY COLLEGES

Several different grant programs designed to support community colleges are authorized and appropriated by Congress. This report discusses competitive grants that can benefit community colleges.

Overview of Funding for Federal Grant Programs:

It is important to note that the available funding for federal grant programs is contingent on numerous factors, including Congressional annual appropriations and decisions by the Administration about if and how to fund them. The agencies have options each fiscal year to determine how they spend the amount of funds appropriated by Congress, including offering new competitions, funding grantees from previous competitions, providing supplemental funding to current grantees, or reprogramming the funds to other grant programs.

Despite this uncertainty, community colleges should be aware of the programs included in this report that are designed to provide needed supports for their students, and should look for competitions, plan ahead for projects that can meet the program requirements, apply for funding when available, and advocate to their members of Congress for sufficient funding.

Considerations for Federal Grants:

Community colleges should pay attention to current changes to how competitive grants are being run at the federal level, from shorter timelines between announcement and application deadline to new rules for drawing down funds. In addition, some grant programs will be run out of more than one federal agency which will require new systems and processes for schools to implement and follow.[1]

It is also important for community colleges to understand the current risks for continued funding if they receive a grant, and to plan for how they will either continue the program or what will happen to the services if their grant ends earlier than planned. Grants may not be funded for their full performance periods for several different reasons.

First, currently, federal discretionary grants can be terminated if "pursuant to the terms and conditions of the Federal award, including, to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities."[2] While courts are still interpreting what that means, there have been efforts across agencies to end grants in the middle of their budget periods. Second, the Department of Education's rules allow grants to be discontinued for a subsequent budget period if there is no "determination from the Secretary that continuation of the project is in the best interest of the Federal Government," and this provision has been used across programs to end grants in the middle of a performance period.[3]

Third, the Department of Education has stated that they may cancel grant programs that benefit Minority-Serving Institutions (MSIs). Under the authority provided to the Department in the appropriations bill, they are allowed to reprogram discretionary funds for MSI grants to the Strengthening Institutions Program (SIP), pursuant to a provision that allows funds to be moved from one program to another within the same account, provided that notification is given to Congress. Finally, given the budget proposals put forth by the President, if a grant program is zeroed out by Congress in the appropriations bill for the next fiscal year, a grant will be cancelled as the majority of grants are only obligated for one year at a time regardless of the length of the grant.

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1 https://www.ed.gov/about/news/press-release/us-department-of-education-announces-six-new-agency-partnerships-break-federal-bureaucracy
2 2 CFR 200.340
3 34 CFR 72.253

Other factors community colleges should be aware of when accepting federal grant funds are new terms and conditions that attempt to limit activities the college can partake in, both with and without federal funds. Certification of these terms and conditions may be included in individual grant agreements, department-wide rules, or through the System Award Management (SAM) system which is required to be utilized by all federal grant recipients.

In addition, changes in the requirements under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA),[4] which states that "Federal public benefits" are limited to U.S. citizens, U.S. non-citizen nationals, and qualified aliens, may impact which students community colleges can serve. In July 2025, the U.S. Department of Justice issued a memo reversing longstanding guidance and stated that all programs were covered by PRWORA unless specifically exempted by statute.[5] The impact for community college grantees is that the requirements of PRWORA are being applied to programs under the Higher Education Act and the Workforce Innovation and Opportunity Act (WIOA). Programs are awaiting more information on implementation of this new guidance but agencies have indicated it can impact enforcement actions.[6]

FEDERAL GRANT PROGRAMS FOR COMMUNITY COLLEGES

While there are other grants open to community colleges, the below programs are ones that are more specifically aligned to community colleges' work.

U.S. Department of Education Grants:

CCAMPIS:[7] This grant program supports the participation of low-income parents in postsecondary education through the provision of campus-based childcare services. Community colleges are eligible to receive these grants if the total amount of all Federal Pell grant funds awarded to enrolled students for the prior fiscal year was $350,000 or more.

Strengthening Institutions Program (SIP):[8] This grant program helps eligible colleges expand their capacity to serve low-income students by providing funds to improve academic quality, institutional management, and fiscal stability. Community colleges are eligible entities.

TRIO Grant Programs: There are six TRIO programs that community colleges can benefit from - Student Support Services[9], Upward Bound, Upward Bound Math-Science, Veterans Upward Bound Program, [10] Educational Opportunity Centers,[11] and Talent Search.[12] These grant programs are designed to serve low-income individuals, first-generation college students, and individuals with disabilities to help them prepare for and graduate from college. Community colleges are eligible entities. Both Educational Opportunity Centers and Talent Search are due for new competitions in FY26.

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4 P.L. 104–193

5 https://www.justice.gov/opa/media/1407726/dl?inline

6 Pending litigation may impact the implementation of PRWORA for these programs in certain states.

7 20 U.S.C. 1070e

8 20 U.S.C. 1057

9 20 U.S.C.1070a-14

10 20 U.S.C. 1070a-13

11 20 U.S.C. 1070a-16

12 20 U.S.C. 1070a-12

FIPSE:[13] The Fund for The Improvement of Postsecondary Education (FIPSE) grants were authorized under the Higher Education Act to encourage "the reform and improvement of, and innovation in, postsecondary education and the provision of educational opportunity for all students." Congress has specified several uses for this funding but the Department of Education also has flexibility under the statute to create its own special projects based on its priorities. Examples of FIPSE programs directed by Congress include the Basic Needs for Postsecondary Students Grant Program (to address the basic needs of students including food assistance, housing, transportation, healthcare, childcare and technology), the Rural Postsecondary and Economic Development Grant Program (to improve rates of postsecondary enrollment, persistence, and completion among rural students through the development of high-quality career pathways aligned to high-skill, high-wage, and in-demand industry sectors and occupations in the region) and the Postsecondary Student Success Grant Program (to scale evidence-based practices and reforms to improve postsecondary retention and completion rates among underserved students). Last year, the Department of Education used these funds instead for grant programs focused on workforce Pell, AI, accreditation, and civic education.

Minority-Serving Institution Grants: The Higher Education Act authorizes competitive grant programs that support Hispanic Serving Institutions[14] (HSIs); Asian American and Native American Pacific Islander-Serving Institutions[15] (AANAPISIs); Predominantly Black Institutions[16] (PBIs); Native American-Serving Nontribal Institutions[17] (NASNTIs); and Alaska Native and Native Hawaiian-Serving Institutions[18] (ANNHs). Colleges must first be determined to be eligible by the U.S. Department of Education for Title III and Title V grants, either through Department data, an application process, or as a recipient of a waiver if certain conditions apply.

U.S. Department of Education Grant Priorities:

Each Secretary of Education issues priorities that can be used in discretionary grant programs, reflecting the specific policy goals of the Administration. While the Department of Education does not have to use those priorities in any specific competition, or even at all, reviewing them and planning for them is one way to be prepared in advance to apply for federal grants.

The priorities that are issued can be used in one of three ways in grant competitions — absolute priorities, which are used as a requirement for any grant application to be considered; competitive preference priorities, which provide competitive points for a grant application; and invitational priorities, which are used to incentivize inclusion of an activity but cannot be used to award points.

There are several priorities community colleges can expect to see in grant competitions in FY26 which may provide opportunities for projects they are implementing at their schools, including advancing artificial intelligence, expanding career pathways and workforce readiness, and returning education to the states.

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13 20 U.S.C. 1138

14 20 U.S.C. 1101a-d

15 20 U.S.C. 1059g

16 20 U.S.C. 1059e

17 20 U.S.C. 1059f

18 20 U.S.C. 1059d

Advancing Artificial Intelligence:[19]

Grants may prioritize projects that expand the understanding of artificial intelligence or expand the appropriate use of artificial intelligence technology in education.

Grant competitions may be designed to encourage activities to expand the understanding of AI through activities that support the integration of AI literacy skills and concepts into teaching and learning practices to improve educational outcomes for students, including how to detect AI-generated disinformation or misinformation online; expand offerings of AI and computer science courses as part of an institution of higher education's general education and/or core curriculum; provide professional development for educators on the integration of the fundamentals of AI into their respective subject areas; provide professional development in foundational computer science and AI, preparing educators to effectively teach AI in stand-alone computer science and other relevant courses, including instruction about how to use AI responsibly; partner with State educational agencies or local educational agencies to encourage the offering of dual-enrollment course opportunities to earn postsecondary credentials and industry-recognized credentials in AI coursework concurrent with high school education; support dissemination of appropriate methods of integrating AI into education; or build evidence of appropriate methods of integrating AI into education.

Projects may also include those that expand the appropriate use of AI in education through supporting postsecondary instruction to students who need remedial supports or advanced learning opportunities, or for students with disabilities; using AI technology to improve teacher training and evaluation; promoting efficiency in classroom and school operations through the application of AI technologies that reduce time-intensive administrative tasks; or using AI technology to provide high-quality instructional resources, high-impact tutoring, and college and career pathway exploration, advising, and navigation to improve educational outcomes.

Expanding Career Pathways and Workforce Readiness:[20]

Grants may prioritize projects that support workforce development programs aligned with State priorities including supporting activities that are aligned to State and local workforce priorities, supporting alignment of workforce activities across State agencies that support workforce development, or supporting States in identifying in-demand and high-value industry-recognized credentials and/or re-evaluating existing lists of credentials; providing support for the skilled trades; developing industry-led sector partnerships; promoting the attainment by individuals of an in-demand and high-value industry-recognized postsecondary credential; providing work-based learning opportunities for which a student receives wages, academic credit, or both; or expanding the availability of pre-apprenticeships and registered apprenticeships, including through dual or concurrent enrollment.

This priority may also incentivize projects that provide career and/or college exploration and advising opportunities to promote greater awareness of the range of postsecondary educational and career options; provide opportunities for students to use financial tools to compare the cost and benefits of the career options and educational pathways they are considering; or support the development of talent marketplaces that connect employers, students, and jobseekers by converting job descriptions and learning assertions into discrete, industry-recognized competencies.

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19 https://www.federalregister.gov/documents/2025/07/21/2025-13650/proposed-priority-and-definitions-secretarys-supplemental-priority-and-definitions-on-advancing

20 https://www.federalregister.gov/documents/2025/09/25/2025-18639/proposed-priority-and-definitions-secretarys-supplemental-priority-and-definitions-on-career

Returning Education to the States:[21]

Grants may prioritize projects that are implemented with a state education agency, governor, state workforce development agency/board, state vocational rehabilitation agency, state higher education agency, Tribal entity, or a consortia of such entities.

U.S. Department of Labor Grants

Strengthening Community College Training Grants (SCCTG): This program is funded through the Workforce Innovation Opportunity Act (WIOA) Dislocated Workers National Reserve account.[22] It is a grant program that dedicates its funding to build community colleges' workforce education capacity. There have been five rounds of grants under this program with eligible entities being community colleges or a consortium of institutions with a community college as the lead applicant. The sixth round running in FY26 has a focus on workforce Pell and is open to consortium of institutions of higher education where the community college is the lead applicant.[23]

National Science Foundation Grants

NSF Advanced Technological Education Program (ATEP): This program was created in the Scientific and Advanced Technology Act of 1992 to provide grants to associate-degree-granting colleges and consortia "to assist them in providing education in advanced-technology fields and education to prepare the skilled technical workforce to meet workforce demands, and to improve the quality of their core education courses in STEM fields."[24]

The focuses are on students who have been in the workforce and on building a pathway from high school to community colleges to technical careers. The goal is to strengthen and expand the scientific and technical education and training capabilities of community colleges through the development and study of model instructional programs in advanced-technology fields and in core STEM courses; the professional development of faculty and instructors who provide instruction in STEM and advanced-technology fields; or the establishment of innovative partnership arrangements that involve community colleges and other public and private sector entities. Generally, NSF ATEP projects are faculty-led and courses and programs are credit-bearing.

Author's note: Actions and activities at the federal level are consistently evolving, including through decisions arising from litigation. We encourage you to continually monitor issues around federal funding to ensure you remain compliant and maximize your success while minimizing any risk.

ABOUT THE AUTHOR

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21 https://www.federalregister.gov/documents/2025/09/09/2025-17310/final-priorities-and-definitions-secretarys-supplemental-priorities-and-definitions-on

22 P.L. 113-128, Section 169 (c)

23 https://www.dol.gov/newsroom/releases/eta/eta20260217

24 P.L. 102-476