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# Q&A: The Fund for the Improvement of Postsecondary Education (FIPSE)

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The Fund for the Improvement of Postsecondary Education (FIPSE) is one of the longest-standing sources of federal support for innovation in higher education. For more than fifty years, the program has funded initiatives to improve postsecondary outcomes through scalable models and practices. Interest in and questions about the program have increased as the Department of Education (Department) has more recently used FIPSE to support priorities in artificial intelligence, civil discourse, accreditation, and short-term programs. This memo addresses key questions about FIPSE's history, intent, and current trajectory, highlighting the unique role it plays in advancing educational innovation.

# What is FIPSE, and Why Was it Created?

FIPSE is a federal grant program administered through the Department's Office of Postsecondary Education. Its mission is to support innovative initiatives that strengthen postsecondary educational opportunities across a range of issue areas. Created by Congress in 1972 through an amendment to the *Higher Education Act*, FIPSE was designed to serve as a flexible funding mechanism for piloting new ideas, identifying and evaluating effective practices, and sharing lessons learned with colleges and universities to improve college access and outcomes. [1]

# How Does FIPSE Work?

FIPSE primarily operates as a grantmaking authority within the Department, providing seed funding for institutions and organizations to pursue innovative projects intended to improve postsecondary education. FIPSE supports a wide range of postsecondary stakeholders, including colleges and universities, non-profit organizations, and higher education consortia. Funding has historically supported initiatives focused on college access and success, including programs to support low-income students. FIPSE program funds may be awarded through competitive grants or allocated by Congress to specific recipients via Congressionally Directed Spending, commonly known as "earmarks."

Federal competitive grants, unlike formula grants, are awarded following a formal application process. Applications are evaluated according to published criteria and priorities, and awards are made by the Department. Similarly, earmarks require an application explaining the scope of work, but funding decisions are made through the annual congressional appropriations process. If a project requested by a Member of Congress is included in the final appropriations bill, funding is provided to the designated recipient.

# What Programs and Initiatives Does FIPSE Support?

FIPSE supports grants tied to emerging priorities, basic needs insecurity, opportunities for Historically Black Colleges and Universities, workforce needs, and veteran student success, among other areas. Newer initiatives, such as the Postsecondary Student Success Program and the Rural Postsecondary and Economic Development Program, have aimed to re-engage students from diverse socioeconomic backgrounds to improve retention and completion rates. Examples of FIPSE programs include:

## Postsecondary Student Success Program

The Postsecondary Student Success Program is a competitive FIPSE initiative that funds evidence-based strategies to improve student outcomes, particularly for low-income and first-generation students. It emphasizes scaling proven interventions that boost retention and completion rates and leverages rigorous evaluation requirements to sharpen research on effective interventions. Previous Postsecondary Student Success Grant (PSSG) awards have included projects to conduct outreach to students who have stopped out to support their reenrollment, enhance data and early alert systems, and provide comprehensive success coaching. [2] To date, 22 grants encompassing over 40 colleges and universities in 14 states have been awarded.

## Basic Needs for Postsecondary Student Program

The Basic Needs for Postsecondary Students Program is a discretionary grant fund designed to address fundamental needs insecurity among low-income students. Performance among funded programs is measured by the rate of direct support to low-income students, changes in persistence and graduation rates among those students, and the overall improvement in basic-needs insecurity among students served. Previous awards have supported campus-wide efforts to address food insecurity, improve transportation access, expand childcare options, enhance mental health services, and implement outreach programs to better connect eligible students with available resources. [3]

## Rural Postsecondary and Economic Development Program

The Rural Postsecondary and Economic Development (RPED) Program extends FIPSE's focus to rural populations, with an emphasis on career pathways that address workforce shortage areas. The RPED Program works in tandem with America's Talent Strategy to increase career readiness through apprenticeships and exposure to emerging technologies like artificial intelligence and advanced manufacturing. [4] Previous awards aimed to support programs to address nursing shortages, increase FAFSA awareness and understanding of student aid among prospective students, create career centers, and strengthen emerging technology career pathways.

# How Has Congress Supported FIPSE Through Appropriations?

Funding for FIPSE in the federal budget process has shifted over time, often reflecting changes in administrative budget priorities. Throughout these fluctuations, however, the program has maintained consistent support from Congress and, at times, seen increased funding. In Fiscal Year 2024, Congress appropriated $171 million for FIPSE programs. [5]

The return of earmarks has allowed the funding spigot to open further by giving institutions, municipalities, and non-profit organizations an additional vehicle to fund local higher education projects with the support of their Members of Congress. This led to a substantial increase in appropriations to FIPSE accounts: Congress appropriated an additional $202 million in community projects in Fiscal Year 2024, which supported initiatives driven by members rather than awarded through a competitive process. [6]

FIPSE's "bend, but don't break" funding trajectory highlights the program's flexibility and adaptability and its longstanding appeal to lawmakers. Consistent funding across Congresses and political majorities reflects the strong, underlying bipartisan support that FIPSE has earned.

# What Are Some Common Critiques of the FIPSE Program?

Critics of FIPSE raise concerns about the risks of inconsistent evaluation of funded initiatives, the program's connection to earmarks, and the overall federal role in education. Because FIPSE has a broad statutory authority as an innovation and demonstration fund, it supports a wide range of activities and program designs. This can make it difficult to consistently measure the program's impact. Access to seed funding to experiment with and learn from promising practices provides tremendous value in educational research, as it can be challenging to attract private and state capital for early-stage projects. The federal government is well positioned to take that risk, but it is crucial to ensure rigorous evaluation and dissemination of findings to maximize contributions to the evidence base.

More recently, questions have been raised about the appropriateness of using earmarks within FIPSE accounts to fund local and institution-specific projects. While earmarks allow members of Congress to support projects addressing needs within their districts, their growth also risks diluting the resource pool available for grant programs that respond to national priorities. Likewise, some critics seek an overall smaller role for the federal government in education. At the same time, research, demonstration projects, and the testing of new approaches have long been viewed as areas where federal investment can play a unique and important role. Indeed, Congress has maintained the FIPSE program for more than five decades, reflecting bipartisan recognition of the value of federal investment in these domains.

# What Are the Priorities for FIPSE Under the Trump Administration?

Like prior administrations, President Trump's Department of Education has used FIPSE to advance a set of higher education priorities by shaping grant applications and selection criteria. Some shifts across administrations are expected, as the program's broad statutory authority allows the Department flexibility to establish supplemental priorities for FIPSE grants within the existing programs created by Congress. However, the Trump Administration has taken several steps that depart from past practice by altering FIPSE's structure, funding, and operations.

President Trump's budget requests have repeatedly called for the elimination or dramatic reduction in FIPSE funding. Congress has nonetheless continued to fund the program through annual appropriations; however, the Administration has delayed grantmaking timelines and, in some instances, repurposed funding entirely. In November 2025, the Department diverted the nearly $170 million that had been appropriated in a stopgap funding bill for seven distinct FIPSE programs—including Postsecondary Student Success Grants and Basic Needs Grants—and instead redistributed that funding for "special projects" related to AI, civil discourse, accreditation, and short-term workforce training. [7]

# Conclusion

The Fund for the Improvement of Postsecondary Education is a key example of the federal government's role in piloting and refining promising approaches to student success in higher education. Innovation in college access, retention, and completion remains essential to ensure current and future generations have the opportunity to enroll and succeed. These improvements cannot be made without someone footing the bill. Through FIPSE, the federal government is uniquely capable of taking on the financial risk, helping colleges not only refine and share best practices, but also enable the scaling of successful models—to the benefit of states, institutions, and students.

## ENDNOTES


1. U.S. Department of Education. “Fund for the Improvement of Postsecondary Education.” https://www.ed.gov/about/ed-offices/ope/fipse#home. Accessed 21 May 2026.

2. U.S. Department of Education. “Postsecondary Student Success Grant (PSSG) Program.” https://www.ed.gov/grants-and-programs/grants-higher-education/improvement-of-postsecondary-education/postsecondary-student-success-grant-pssg-program-84116m. Accessed 7 July 2026. Accessed 7 July 2026.

3. U.S. Department of Education. “Basic Needs for Postsecondary Students Program.” https://www.ed.gov/grants-and-programs/grants-higher-education/improvement-of-postsecondary-education/basic-needs-postsecondary-students-program-84116n#awards. Accessed 7 July 2026.

4. U.S. Department of Labor. “America’s Talent Strategy: Building The Workforce For The Golden Age.” www.dol.gov/sites/dolgov/files/OPA/newsreleases/2025/08/Americas-Talent-Strategy-Building-the-Workforce-for-the-Golden-Age.pdf. Accessed 7 July 2026.

5. U.S. Department of Education. “Fiscal Year 2026 Budget Summary.” www.ed.gov/media/document/fiscal-year-2026-budget-summary-110043.pdf. Accessed 9 July 2026.

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