

Using AI for Student Success: New Federal Guidance and Funding Opportunities

A guide to Department of Education priorities for using AI to help students prepare for college, career, and life.



New in policy: DOE funding for AI-based initiatives

On July 22, 2025, the U.S. Department of Education (DOE) published a “Dear Colleague” letter stating that many existing federal funds — from formula grants to discretionary awards — may be used to support AI-based initiatives. This includes using AI to enhance instructional materials, conduct or assist in tutoring, and guide students on career and college pathways.

In a separate directive, the [DOE also proposed giving priority](#) to districts that embed AI literacy, ethical AI use, and AI capacity-building into their proposals for discretionary grants.

This guide helps districts seize that moment with an overview of how to apply AI to the most urgent academic and workforce priorities and leverage its use to secure federal funding.




AI isn't the goal. Better outcomes are.

The federal guidance emphasizes a critical point: AI adoption is meaningful only when it helps address districts' most pressing educational priorities, especially literacy, student readiness, and equitable access to opportunity.

Importantly, it emphasizes the ongoing centrality of teachers to student success: “The Department encourages grantees to explore how AI can enhance teaching and learning, expand access, and support educators, without replacing the critical role they play.”

Districts that are able to secure federal funding under this new guidance will be those that treat AI not as a tech initiative, but as an engine for what matters: reading, readiness, and opportunity. Educators know that while technology innovations' utility is defined by how much they support students' learning and engagement.

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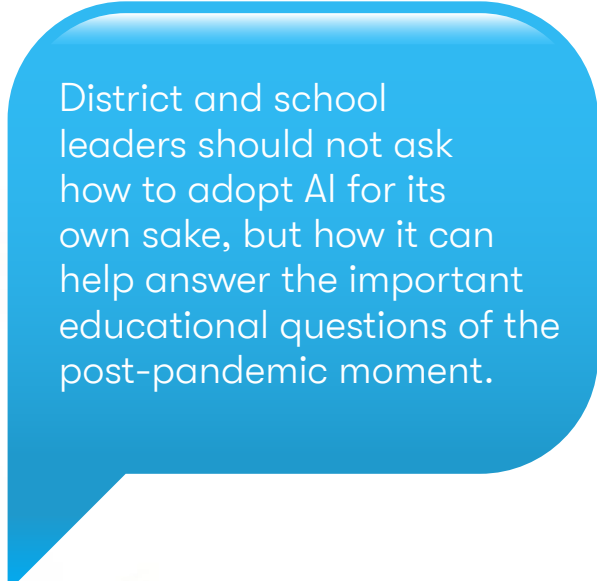
AI is no different: Its transformative potential for education will come from its ability to help students prepare for college, career, and life.

Accordingly, district and school leaders should not ask how to adopt AI for its own sake, but how it can help answer the important educational questions of the post-pandemic moment:

- How do we close the widening literacy gap?
- How do we rebuild student engagement?
- How do we support overburdened teachers?

Leaders are also asking how they use AI to help with these goals while employing it equitably and responsibly to prevent it from contributing to ever-widening gaps in student achievement. The DOE guidance specifies the parameters of responsible use of AI, stating that AI initiatives must be educator-led, ethical, accessible, transparent and explainable, and protective of data.

Districts that find ways to use AI to support educational goals and responsibly embed its use into school operations and culture will be able to seek out new funding to support their teaching and learning goals.



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Federal guidance:

AI must advance learning, support teachers, and be used responsibly

The new guidance advises districts that the following uses are allowable under existing federal education programs, assuming that the uses align with applicable statutory and regulatory requirements.

AI-based high-quality instructional materials

Initiatives that involve developing or procuring AI-powered instructional tools, expanding access to personalized learning materials, and providing training on effective and responsible use of AI tools.

AI-enhanced high-impact tutoring

Initiatives that involve developing and implementing AI-powered tutoring systems, hybrid models that complement AI instruction with human tutors, and tools that use AI to match learners with tutoring services.

AI for college and career pathway exploration, advising, and navigation

Initiatives that involve creating AI-based platforms that help students pursue career interests, virtual advising systems for career and postsecondary education, and predictive models that assist advising or support services.



The DOE also states that all AI-related educational initiatives should be:

- **Educator-led**, with AI supporting and benefiting educators of all types;
- **Ethical**, in that they helps educators assist students in learning and navigating the challenges and benefits of AI;
- **Accessible**, with all AI tools or systems usable by those who require digital accessibility accommodations;
- **Transparent and explainable**, in that all stakeholders, especially parents, should understand and help make decisions about AI use;
- **Data-protective**, vis-à-vis compliance with federal privacy laws including the Family Educational Rights and Privacy Act.

Finding funding for AI initiatives

Many education leaders are surprised to learn that plenty of funding for AI-based initiatives is available under existing programs at both federal and state levels.

Federal funding

The DOE's renewed federal focus on equity, literacy, and readiness has created more funding alignment now than at any point in the last decade. Tap into the following federal funding sources to support AI-based initiatives in line with the most recent guidance about the DOE's AI-related priorities.

Title I – Academic acceleration and reading interventions

AI-infused initiatives that support academic acceleration and targeted reading improvement can find support under Title I funding. AI may be used in various ways to help students develop reading skills like phonemic awareness, phonics, fluency, vocabulary, and comprehension.

Title II – Teacher support, planning efficiency, and professional development

DOE guidance supports schools and teachers using AI to improve instructional planning and differentiate learning. There is particular interest in using AI tools that enhance teacher capacity as a way to address the ongoing problem of educators feeling overburdened and stretched thin.

Perkins V – Career exploration and career-connected learning

Perkins funding can be applied to any AI-enabled initiative that provides students with career exposure, helps them match interests with career pathways, or enables personalized literacy education aligned to career objectives. AI can be particularly effective in helping students become career-ready.

IDEA – Supports for students with disabilities

IDEA funding can be used to support AI-based programs and tools that help differentiate reading content, monitor progress, or scaffold learning for students with support plans. AI is particularly well suited to assist with the comprehensive differentiation required to serve students with special needs.

State funding

There are a variety of state-specific funding sources that may support AI-based programs. AI-supported reading acceleration initiatives tend to fit well under the priorities many states maintain for adolescent literacy, early literacy, or high-impact tutoring grants. Examples include California Department of Education Comprehensive Literacy State Development (CLSD) Grants, Louisiana Department of Education (LDOE) Digital Learning Grants, and the Texas Education Agency (TEA) Texas Literacy Initiative (TLI).

A blueprint for districts ready to act

Approach your district's AI usage following a coherent blueprint to ensure you always adhere to your most important priorities as you adopt new technology.

Step 1: Choose your priority outcomes



Adopting AI is never an end in itself: The goal of using this new technology is to advance your progress toward specific, measurable outcomes of student and school success. Accordingly, every potential AI initiative must be judged against its ability to contribute to the outcomes that take priority for your district.

To gain clarity on judging which AI initiatives to pursue and which are most likely to gain discretionary funding, start by defining the priority outcomes for your district. To increase your chances of being able to use federal funds to support AI activities, consider identifying outcomes that align with the DOE's stated priorities for AI use, such as literacy acceleration and career readiness.

Step 2: Define the "AI-ready graduate"



Articulate a vision of what skills students need upon graduation to be career-ready within a work world defined by AI. The elements of this definition may include things like strong literacy skills, exposure to multiple career experiences, and fluency in the responsible and ethical uses of AI. This vision will help keep your pursuit of AI initiatives anchored to overarching educational goals and specific student outcomes.

Step 3: Identify your capacity gaps

AI-based initiatives can have the most impact when applied strategically to close capacity gaps or address stubborn problems. Ask questions to identify these highest-priority concerns, such as:



- Where is staff stretched the thinnest?
- What skills or capabilities are staff lacking?
- In what areas or ways do students need more personalization?
- How are students engaging in career pathway planning?
- Where is equity hardest to achieve?

In answering these and other questions, prioritize any areas in which AI's unique ability to personalize or customize outputs can have an outsized effect on results.



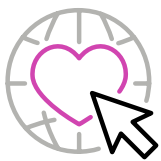
Step 4: Build guardrails that reflect DOE guidance

Prioritize tools and practices that reflect DEO priorities for responsible use of AI. Initiatives should support educators, focus on ethical use of this technology, prioritize accessibility and transparency, and protect data and privacy. Constructing programs thoughtfully with all of these factors in mind will not only assist you in securing federal and state funding, but will also build trust with your educational staff and school community.



Step 5: Use an integrated funding model

Look for a mix of funding sources to support AI initiatives. Nearly all successful districts blend multiple streams, such as funding from Title I, Title II, Perkins V, and state literacy dollars. With strong interest in AI throughout the educational landscape, there are a large variety of ways to access diverse funding streams to support your district's AI-related goals and programs.



Step 6: Share early wins openly

Families and staff support what they understand, so it's important to educate them on how AI-based initiatives are supporting learning and student success. Communicate with your school community to showcase growth in reading skills and literacy, improved student engagement in career-connected tasks, enhanced teacher capacity, and reduced inequities in access to opportunities. When your community can see progress, AI becomes fundable, sustainable, and defensible.



Securing funding for AI requires clear vision

The districts moving forward the fastest aren't adopting the most tools. Rather, they're adopting the clearest vision. AI is simply the tool that can help them get there more readily. The vision that will help you put effective AI tools in place is one of students advancing academically and developing literacy in tight coordination with visibility into appropriate career pathways.

AI tools can help students understand what careers might suit them, and provide motivation and insight into the learning and literacy they must achieve to pursue those options. Federal and state funding is now abundantly available for such initiatives, as well as many others than can involve AI in support of the success of schools and students.

Beable: A model that meets the moment

Beable is a prominent example of an AI-powered platform that is built for just this moment. Its Career-Connected Literacy™ platform connects literacy growth to workforce readiness, giving every student a personalized path to powerfully accelerated learning. The platform aligns directly with the DOE's guidance and delivers:

- **Up to 5X literacy acceleration:** The platform provides personalized paths for every student, with some achieving 10X gains.
- **Career exploration at every level:** Students explore careers aligned to their interests and reading levels using Lexile and RIASEC codes.
- **AI-powered personalization:** Forecaster and Accelerator tools identify scaffolds and time-on-task needed for each student.
- **Whole-child support:** The platform supports academic rigor, personal growth, and family engagement, all in one system.
- **Cost efficiency:** Beable replaces multiple programs with a single platform.

Beable is not just a solution;
it's a strategic partner for districts ready to lead.

Contact Beable now to speak with a funding specialist to learn how you can adopt and fund this AI-powered platform to help your students thrive.



Learn more and request a demo today.



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