2026 ANNUAL REPORT

The State of Education Technology & Services

A data-driven review of the technology & services powering K-12 and higher education — AI, learning platforms, connectivity, cybersecurity, cloud, tool sprawl, managed services, and the road to 2027.

K12 Academics — helping schools & suppliers Find Your Community! since 2004

$185B
Global EdTech & services market

88%
of schools use an LMS

63%
of districts have adopted AI

3,001
Tools the avg district can access

EXECUTIVE SUMMARY

Technology is everywhere — now it has to prove itself

Education technology is no longer emerging; it is embedded. Nearly every school runs an LMS, most districts have adopted AI, and connectivity is assumed. But 2026 is a year of reckoning: pandemic funding expired, venture capital retreated, tool sprawl became a burden, and buyers now demand evidence, security, and integration over novelty. This report covers the full technology-and-services landscape — software, infrastructure, AI, cybersecurity, and the services that hold it together.

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Biggest trends

- AI is the defining force across every category.
- Districts are rationalizing a sprawling tool stack.
- Pandemic-era connectivity funding has expired.
- Buyers demand evidence, security & integration.

Key findings

- Global EdTech ~$185B; K-12 the largest slice.
- ~63% of districts have adopted AI; 88% use an LMS.
- Districts access ~3,000 tools — but waste ~43% of licenses.
- K-12 is a top ransomware target; security spend rising.

Major challenges

- The connectivity cliff & a widening homework gap.
- Tool sprawl, integration & data-privacy burden.
- Scarce capital & the post-ESSER reset.
- Governance racing to keep up with AI.

Opportunities

- AI-enabled products & services across the stack.
- Interoperability, consolidation & managed services.
- Cybersecurity, cloud & infrastructure modernization.
- Discoverability where districts research.

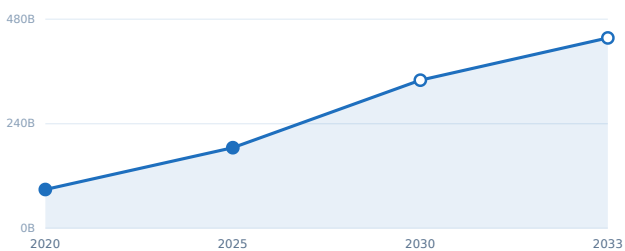
SECTION 01 — THE MARKET

A large, maturing technology-and-services economy

The education-technology-and-services market spans software, platforms, infrastructure, cybersecurity, cloud, analytics, and a growing services layer — consulting, managed IT, and professional development. Globally worth ~$185 billion and anchored by ~$878 billion in U.S. K-12 spending, it is maturing: growth is steadier, capital is disciplined, and consolidation is underway.

The market keeps expanding

Global EdTech market size (USD billions)



The market at a glance

Scale & structure

$185B — **global EdTech** in 2025 — K-12 the largest sector.

$878B — **US K-12 spending** underpins demand.

N. America — holds ~**35-41%** of the global market.

Services — **consulting, managed IT & PD** are a growing layer.

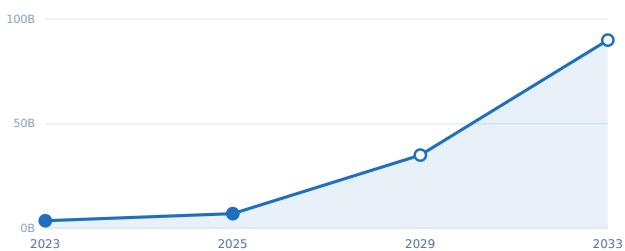
SECTION 02 — AI IN EDUCATION

The defining force in the stack

No technology is reshaping education faster. Roughly 63% of districts have adopted AI, most teachers now use it weekly, and it is spreading into tutoring, planning, grading, communication, accessibility, and analytics. The AI-in-education market is the fastest-growing segment — but governance, privacy, and readiness are racing to catch up with adoption.

AI is the fastest-growing segment

AI-in-education market (USD billions)



AI across education

Adoption & guardrails

63% of **districts** have adopted AI; most teachers use it weekly.

Everywhere **tutoring, planning, grading, comms & accessibility**.

Capital AI is where **scarce investment is concentrating**.

Gap **governance & policy** lag well behind adoption.

The digital classroom is the default

The core of the stack — learning-management and student-information systems, adaptive and personalized platforms, interactive displays, and student devices — is now standard. Device penetration exceeds 1.3 per student, LMS adoption tops 88%, and most teachers use technology daily. The frontier has shifted from access to effective, integrated use.

Technology adoption is near-universal

US K-12 adoption benchmarks



The digital classroom

Platforms & devices

1.3 — **devices per student** — 1:1 is the norm.

88% — **LMS adoption**; SIS & adaptive platforms standard.

Daily — most **teachers use technology** every day.

Shift — the challenge is now **effective, integrated use**.

SECTION 04 — THE CONNECTIVITY CLIFF

The funding that closed the digital divide expired

The pandemic's biggest equity gain — near-universal student connectivity — is at risk. Three federal streams that funded home internet and devices all lapsed around 2024: the $14.2 billion Affordable Connectivity Program (which reached ~23 million households, including 3.1 million student families), the Emergency Connectivity Fund, and ESSER. E-rate remains the backbone, but its hotspot expansion is contested — threatening to reopen the homework gap.

The connectivity cliff

Expiring federal support

$14.2B — **ACP** ended in 2024 — it reached ~23M households.

3.1M — **student families** got broadband via ACP alone.

ECF + ESSER — **device & hotspot funding** also expired around 2024.

E-rate — the **backbone** for school broadband — hotspot rules contested.

Why it matters

The homework gap returns

With home-connectivity subsidies gone, the **homework gap** — the divide between students who can and cannot get online at home — risks widening again.

Districts are turning to **bus & hotspot Wi-Fi, E-rate, and community partners** to fill the gap.

The fastest-rising priority

Digitization made schools targets. K-12 is now one of the most-attacked sectors for ransomware, with well over a thousand publicly disclosed incidents since 2016. Security — identity, multi-factor authentication, zero trust, threat detection — and privacy compliance (FERPA, COPPA) have become the fastest-growing category of spending and a gate on every purchase.

The security imperative

Threats & compliance

Target — K-12 is a **top ransomware target**.

1,300+ — **disclosed incidents** since 2016 — and rising.

Privacy — **FERPA & COPPA** compliance shape every deal.

Zero trust — **identity, MFA & zero-trust** spending climbing fast.

What districts are buying

Security & privacy stack

- **Identity & MFA**
- **Zero trust**
- **Threat detection**
- **Network & cloud security**
- **Backup & recovery**
- **Cyber insurance**
- **Data privacy**

Security has moved from an **IT afterthought** to a **board-level priority**.

The invisible foundation

Everything above depends on the layer beneath: cloud infrastructure, SaaS, storage, and the campus network — Wi-Fi, fiber, broadband, firewalls, and remote access. Districts have largely migrated to cloud and SaaS models, shifting spending from capital to subscriptions and making resilience, backup, and disaster recovery core concerns.

The infrastructure layer

Cloud & network

Cloud — most districts run on **cloud & SaaS** now.

Subscribe — spending shifted from **capital to subscriptions**.

Network — **Wi-Fi, fiber & broadband** underpin everything.

Resilient — **backup & disaster recovery** are essential.

The infrastructure stack

Beneath the apps

- **Cloud & SaaS**
- **Data centers**
- **Campus Wi-Fi**
- **Fiber & broadband**
- **Firewalls**
- **SD-WAN**
- **Backup & recovery**

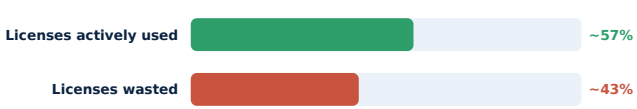
E-rate helps fund the **network core**; cloud migration keeps reshaping how districts buy and run IT.

Too many tools, not enough evidence

After years of accumulation, districts are drowning in software. The average district can access roughly 3,000 distinct edtech tools — a number still rising — yet students and educators meaningfully use only a handful, and districts waste an estimated 43% of their licenses. The response is rationalization: consolidating around fewer, interoperable, evidence-backed tools.

Nearly half of licenses go unused

EdTech license utilization



From sprawl to strategy

Rationalization & evidence

~3,000 **tools** the average district can access — and rising.

43% of **licenses go unused** — wasted spend & risk.

Evidence **proof of impact** is now a procurement priority.

Integrate **LTI, Ed-Fi & OneRoster** standards reduce lock-in.

The everyday operating layer

Beyond platforms sits the deep catalog of software districts run daily: administrative tools (scheduling, attendance, gradebooks, communication), business systems (ERP, HR, finance), and instructional technology — digital curriculum, STEM, reading and math programs, special education, and the full assessment ecosystem from formative to state testing.

Administrative & business

Running the enterprise

Admin — **scheduling, attendance, gradebooks & comms**.

ERP — **ERP, HR, payroll & finance** systems are sticky.

Procure — **procurement & inventory** software growing.

Portals — **parent portals & school apps** now expected.

Curriculum & assessment

The instructional layer

Digital — **digital curriculum** across every subject.

Literacy — **reading & math** programs a growth area.

Assess — **formative, benchmark & state** testing tech.

SpEd — **special-education & intervention** platforms essential.

Technology for the whole student — and the funnel

Two fast-growing software categories focus on students directly: student-success and wellbeing tools — tutoring, mental-health and telehealth platforms, advising, and early-warning systems — and the enrollment stack of admissions platforms, CRM, financial aid, tuition management, and predictive-enrollment analytics that institutions use to find and keep students.

Student success & wellbeing

Supporting the student

Mental health — **telehealth & counseling** platforms expanding fast.

Tutoring — **on-demand & high-dosage** tutoring tools.

Early warning — **early-warning & retention** systems flag risk.

Advising — **academic & career advising** software.

Admissions & enrollment

The enrollment stack

CRM — **admissions CRM** runs modern recruitment.

Apply — **online applications & portals** standard.

Aid — **financial aid & tuition** management.

Predict — **predictive enrollment** analytics forecast yield.

Products need people to run them

The services half of the industry is easy to overlook and increasingly essential. As stacks grow more complex and IT staffing stays thin, districts lean on managed IT, help desk, and network monitoring; on consulting for strategy, digital transformation, and compliance; and on professional development — especially the new wave of AI training — to turn tools into outcomes.

Services & support

The human layer

- **Managed IT**
- **Help desk**
- **Network monitoring**
- **Consulting**
- **Digital transformation**
- **Compliance**
- **AI training**
- **Coaching**

With **thin IT staffing** and complex stacks, districts increasingly **outsource & upskill**.

Why services are growing

People & capability

Complex stacks are **too complex** for lean IT teams.

Managed **managed IT & help desk** fill the gap.

Consult **strategy, transformation & compliance** advisory.

PD **AI & technology PD** is the fastest-growing training.

From dashboards to the frontier

Data ties the stack together: business intelligence, dashboards, learning and predictive analytics, and institutional research turn scattered systems into decisions. On the horizon, immersive and frontier technologies — VR/AR/mixed reality, robotics, digital credentials, and blockchain — are moving from pilots toward practical classroom and credentialing use.

Data & analytics

Turning data into decisions

BI — **dashboards & business intelligence** now standard.

Predict — **predictive & learning analytics** target support.

Warehouse — **data warehousing & interoperability** are prerequisites.

Privacy — **governance & privacy** shape every data project.

The emerging frontier

Moving past pilots

- VR / AR / MR
- Robotics
- 3D printing
- Digital credentials
- Blockchain
- Simulation
- Drone education

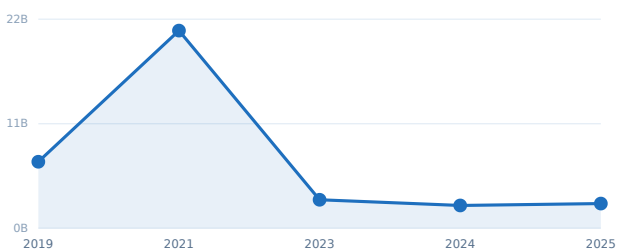
Immersive & credentialing tech are **maturing from novelty to utility** — slowly, but steadily.

Money, buying, and who wins

The capital backdrop is sober: EdTech venture funding fell nearly 90% from its 2021 peak to a decade low, with consolidation now reshaping the field. On the buying side, procurement runs through budget cycles, RFPs, and — increasingly — cooperative contracts. In this leaner market, the winners are the vendors that prove outcomes, integrate cleanly, and are easy to find and buy.

Venture funding has retreated

Global EdTech VC by year (USD billions)



Buying & winning

Procurement & leaders

−89% — **EdTech VC** is down ~89% from the 2021 peak.

Co-ops — **cooperative purchasing** drives much K-12 buying.

Evidence — buyers reward **proof, security & integration**.

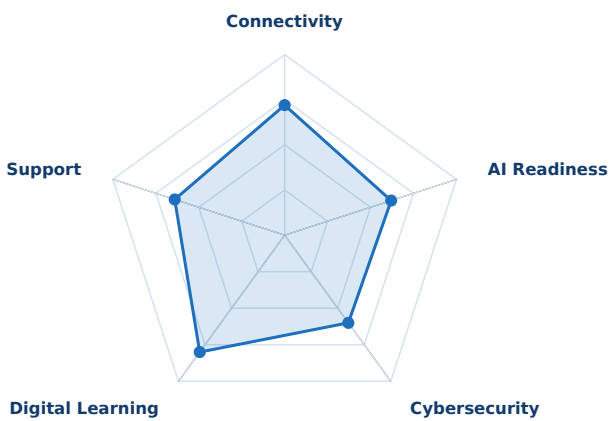
Found — discoverability — the **K12 Academics directory** — matters more.

A K12 Academics framework for institutions

Owning technology is not the same as being ready to use it well. The Index profiles a district or institution across five weighted pillars — so leaders can see where they are strong and where investment (or a vendor) is needed most.

Five-pillar profile

Illustrative — weights sum to 100



Digital Learning — 25%
Platforms, devices & effective use.

Infrastructure & Connectivity — 20%
Network, cloud & home access.

AI Readiness — 20%
Adoption, policy & literacy.

Cybersecurity & Privacy — 20%
Security posture & compliance.

Support & Services — 15%
IT capacity, PD & managed services.

SECTION 14 — THE 2027 OUTLOOK

Two forces, and a to-do list

Toward 2027, technology gets more capable and more scrutinized at once: AI everywhere, disciplined capital, consolidation, and buyers demanding evidence, security, and interoperability. Connectivity equity and tool rationalization dominate the near term. The organizations — and vendors — that thrive will pair capability with proof, integration, and support.

↗ Tailwinds

AI creating new products & services across the stack.

Consolidation & interoperability simplifying ecosystems.

Managed services & PD filling capability gaps.

Discoverability for vendors who show up where buyers search.

↓ Headwinds

The connectivity cliff & homework gap.

Tool sprawl, integration & privacy burden.

Scarce capital & the post-ESSER reset.

Governance racing to keep up with AI.

For districts & IT leaders

- Rationalize & integrate the stack
- Prioritize security & connectivity
- Buy on evidence, not hype

For vendors

- Prove outcomes & interoperate
- Be easy to find & to buy
- Lead with security & support

For investors

- Back provable, sticky models
- Value profitability & retention
- Watch AI, services & infrastructure

DATA & METHODOLOGY

Methodology & sources

This report synthesizes the most recent publicly available data from market-intelligence firms, government agencies, and industry researchers, current as of publication in 2026 — a data-driven industry analysis.

Data sources

- HolonIQ — funding, M&A & market data
- Grand View, Precedence & market.us — market sizing
- LearnPlatform by Instructure — tool usage & sprawl
- FCC — E-rate, ACP & connectivity
- K-12 Security Information eXchange — cyber incidents
- NCES / Education Data Initiative
- K12 Academics directory — category structure & discovery

A data-driven industry analysis. Market-size & adoption estimates vary by definition and source; figures reflect the most recent data available at publication in 2026; venture, market & survey data are reported on different timelines; percentages rounded.

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