

Trump Administration Proposes Removal of Nursing From "Professional Degree" Definition: What Higher Ed and Healthcare Employers Need to Know

Insights

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The Department of Education is in the process of proposing a new definition of "professional degree" for federal student loan purposes that does not include nursing degrees, a development that could have a dramatic impact on both the higher education and healthcare fields. If the proposal is finalized, this change would likely have a negative impact on current and future nursing students and the institutions that teach and train them. We expect it to also exacerbate the nation's ongoing nursing shortage while increasing related labor pressures on healthcare companies in rural communities. Here's what you need to know about the proposed definition and, if finalized, its impact on your hiring, enrollment, and retention strategies.

How Did We Get Here?

- On July 4, President Trump signed the One Big Beautiful Bill Act (OBBA) into law, which made various changes to the federal student loan program. Under the new law, a "professional student" is allocated a higher loan limit (*i.e.*, a \$200,000 total borrowing limit) as compared to a "graduate student" (*i.e.*, a \$100,000 total borrowing limit). The Department of Education (DoED) determines what qualifies as a "professional degree" program for purposes of determining which students qualify for the higher loan limit.
- On July 24, DoED announced it would create the Reimagining and Improving Student Education (RISE) Committee to develop proposed regulatory language to implement the OBBBA's provisions on higher education.
- On November 6, the RISE Committee reached a consensus regarding the proposed regulatory language. Of the consensus-based regulatory language, the RISE Committee included a number of healthcare-related professional degrees (such as Pharmacy, Dentistry, Chiropractic and more) within the definition of a "professional degree" program. Notably, the RISE Committee did not include nursing within this definition.

What's Next?

DoED plans to publish a Notice of Proposed Rulemaking in the Federal Register in early 2026 – perhaps as soon as late January. Such proposed rules typically have a 30-day public comment period before anything is finalized. As of yet, the formal proposal has not been released.

What Would the Proposed Change Mean?

If finalized, the proposed definition is expected to negatively impact current and future students in higher education and the institutions that teach and train them.

Loan Guardrails May Lead to Student Losses

Specifically, students pursuing, or interested in pursuing, graduate and advanced degrees in nursing, such as Nurse Practitioners (NPs) and Certified Registered Nurse Anesthetists (CRNAs), will not be eligible for the higher \$200,000 total borrowing limit. Without the higher federal loan limit, these students may have trouble paying for their education and/or advancing in their chosen careers. Students may be forced to use private loan services, which have strict eligibility requirements and higher interest rates.

Ultimately, students may choose to abandon or forego graduate and advanced nursing degrees altogether, which are necessary to fill critical roles in the healthcare industry. Accordingly, the proposed definition is expected to exacerbate the nation's already ongoing nursing shortage and may cause some institutions to rethink their existing or planned offerings in this area.

Impact on Rural Healthcare

Recently, healthcare in rural areas has experienced significant challenges – namely, funding cuts, workforce shortages, and hospital closures. The OBBBA, in addition to changing the federal student loan program, will cut Medicaid spending by over \$900 billion over a 10-year period. This will reduce rural Medicaid spending by \$137 billion over that 10-year period (subject to the Rural Health Transformation Program (RHTP), which includes a \$50 billion funding package over a 5-year period for rural areas).

For rural communities that largely depend on Medicaid funding, these cuts (even with any offset provided by the RHTP) will likely result in more layoffs and hospital closures – further exacerbating the current labor shortage.

Immigration Challenges

Aside from the proposed definition change, rural healthcare providers often rely on immigrants to fill gaps caused by workforce shortages (often including Registered Nurses (RNs) and NPs). As detailed in our prior Insight, President Trump recently changed the law to require employers to submit a \$100,000 payment for each worker outside the United States they seek to employ with an H-1B visa application.

Compared to the prior H-1B application fee (approximately \$2,580 to \$3,380), the exorbitant \$100,000 fee will disproportionately affect rural healthcare facilities, which already have trouble

affording, recruiting, and retaining healthcare providers. At this time, multiple federal lawsuits have been filed to challenge the \$100,000 fee ([read more about this here](#)).

What Should You Do?

Once the rule is formally introduced as expected, there are a few steps you should consider taking.

- **Get Involved.** Impacted industries should consider providing input during the 30-day public comment period. For instance, impacted higher education institutions might want to provide input regarding how the proposed definition will impact both current and future students. Likewise, impacted healthcare institutions might consider providing input regarding how the proposed definition will impact the already strained healthcare industry. DoED will consider all public comments it receives and may revise the proposed definition in response. If you need assistance, [FP Advocacy](#) can assist you formulate your comments.
- **Reconsider Tuition Reimbursement.** Tuition reimbursement programs in the healthcare industry are becoming more common to incentivize nursing assistants and others to seek advanced education and address the ongoing nursing shortage. They could also mitigate potential fallout to students given these potential changes on the horizon. You should consider implementing or increasing tuition reimbursement programs for nurses to promote, enhance, and expand recruiting, retention, and upward mobility for Licensed Vocational Nurses (LVNs) and RNs.
- **Boost Financial Assistance.** Institutions of higher education should begin to analyze and strengthen alternative sources of financial assistance for their nursing students. This could include institutional scholarships and grants, private scholarships, employer tuition assistance, military benefits, work-study, private loans, and loan forgiveness programs.

Conclusion

We will continue to monitor developments in DoED's rulemaking process and publish a subsequent insight when the proposed rule appears in the Federal Register. Make sure you are subscribed to [Fisher Phillips's Insight System](#) to get the most up-to-date information direct to your inbox. If you have questions, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney on our [Higher Education](#) or [Healthcare](#) Teams.

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