

## **Memo on a Revised Professional Degree Definition and Aligning Definitions in the Code of Federal Regulations**

Submitted to the RISE Negotiated Rulemaking Committee

From: Alex Holt and Andrew Gillen (Taxpayers and the Public Interest Constituency)

October 10, 2025

In Section 81001 of H.R. 1 (the One Big Beautiful Bill Act, or OBBBA), Congress defined “professional student” by cross-reference to the definition of “professional degree” in 34 C.F.R. § 668.2, as in effect on the date of enactment. That regulation identified professional programs through both a core definition and a non-exhaustive list (“includes but is not limited to”).

The Department has made two separate proposals for the definition of a “professional degree,” and the Taxpayers and Public Interest Constituency proposed another definition during the first week of the RISE Negotiated Rulemaking Committee.<sup>1</sup> In response to concerns raised by the Department and other negotiators, and to reflect some technical changes to our prior proposal, we propose a revised definition of professional degrees below. Additionally, we propose directly modifying § 668.2 in the Code of Federal Regulations. While our definition also functions as a separate definition (similar to the Department’s current proposed structure), we believe that our new definition satisfies the Department’s legal and procedural concerns about directly modifying 668.2 and minimizes confusion in the regulations.

Our proposal is consistent with the non-exhaustive approach and with the statute. It does not change the core definition in § 668.2; it adds clarifying language that explains and applies the existing requirements in § 668.2.

In addition to adhering to § 668.2, this draft is consistent with Congress’s intent to limit student overborrowing. It does not adopt a new or expansive interpretation. It narrowly identifies programs that meet the existing criteria and align with the examples provided, so institutions and students have clear guidance without expanding the statute.

### **34 CFR § 668.2: Proposed Language Clarifying the Definition of Professional Degree**

The below redline language is modifying the *current* definition of § 668.2. It is not a response to the Department’s proposed definitions from the first session.

*Professional degree:* A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or

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<sup>1</sup> See Appendix A, Memo on the Proposed Definition of a Professional Degree, September 30, 2025.

D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.). **The remaining professional degrees under this definition are those substantially similar to the examples listed above in both length and field of study, defined as a program of at least 80 credit hours and that is either classified within the same two-digit Classification of Instructional Programs (CIP) code of any of the degrees named above or as a degree in Clinical Psychology (Psy.D., etc.).**

The remainder of this memo will describe: Congress' intent; issues surrounding the Department's proposed definitions; and the rationale and justification for our proposed definition and for modifying § 668.2 rather than creating a new, conflicting definition in regulations.

### **Congressional Intent**

In OBBBA, Congress eliminated the Graduate PLUS loan program, which allowed for virtually unlimited graduate borrowing up to the cost of attendance, and implemented limits on the amount that graduate students could borrow based on whether they were a professional student [Sec. 81001(2)(A) and (B)]:

“(A) ANNUAL LIMITS BEGINNING JULY 1, 2026.—Subject to paragraphs (7)(A) and (8), beginning on July 1, 2026, the maximum annual amount of Federal Direct Unsubsidized Stafford loans—

“(i) a graduate student, who is not a professional student, may borrow in any academic year or its equivalent shall be \$20,500; and

“(ii) a professional student may borrow in any academic year or its equivalent shall be \$50,000.

“(B) AGGREGATE LIMITS.—Subject to paragraphs (6), (7)(A), and (8), beginning on July 1, 2026, the maximum aggregate amount of Federal Direct Unsubsidized Stafford loans, in addition to the amount borrowed for undergraduate education, that—

“(i) a graduate student—

“(I) who is not (and has not been) a professional student, may borrow for programs of study described in subparagraph (C)(i) shall be \$100,000; or

“(II) who is (or has been) a professional student, may borrow for programs of study described in subparagraph (C)(i) shall be an amount equal to—

“(aa) \$200,000; minus

“(bb) the amount such student borrowed for programs of study described in subparagraph (C)(ii); and

“(ii) a professional student—

“(I) who is not (and has not been) a graduate student, may borrow for programs of study described in subparagraph (C)(ii) shall be \$200,000; or

“(II) who is (or has been) a graduate student, may borrow for programs of study described in subparagraph (C)(ii) shall be an amount equal to—

“(aa) \$200,000; minus

“(bb) the amount such student borrowed for programs of study described in subparagraph (C)(i).

The law then defines a professional student [Sec. 81001(2)(C)(ii)]:

“(ii) Professional student.—In this paragraph, the term ‘professional student’ means a student enrolled in a program of study that awards a professional degree, as defined under section 668.2 of title 34, Code of Federal Regulations (as in effect on the date of enactment of this paragraph), upon completion of the program.

The definition from the regulations, as cross-referenced from that section of OBBBA on the date of enactment, reads as follows:

*Professional degree:* A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.).

Based on the language from OBBBA, we infer the following:

1. *Limit Eligibility:* Congress intended to significantly limit the loan amounts of graduate borrowers, providing higher loan limits only to students enrolled in professional programs.
2. *Departmental Clarification:* Congress expected the Secretary to create a rubric or list of professional degrees based on the definition provided in § 668.2 about the Secretary’s understanding and interpretation of what constituted a professional program as of the date of enactment to provide clarity to students and to institutions.
3. *Additional Degrees Beyond Examples:* There is no evidence that Congress intended for the 10 programs identified to be an exhaustive list. Due to the “including but not limited to” language in the existing regulatory definition, Congress expected the final rubric or list to include more degrees than simply the 10 examples listed. Otherwise, Congress would have specified that professional degrees were limited to the examples provided in the definition.
4. *Limiting Principles Based on Text and Context:* Congress expected the Secretary to provide clarity for institutions and students as to which additional programs qualify for higher loan limits **using the existing limiting description and examples provided in 668.2 of the definition, as well as the Department’s own records of professional degrees as of the date of enactment, as the touchstone.**

We will refer to these inferences throughout the rest of the memo to guide our reasoning in attempting to propose legal and reasonable regulations implementing OBBBA.

### **Issues Surrounding the Department's Definitions**

The Department's current proposed definition can be read in its entirety in Appendix B. Below are our concerns with the Department's current proposed definition.

#### *Congress Could Not Have Intended the Examples of Professional Degrees to Be Exhaustive*

Besides the Department's proposed one-year extension of professional status to effectively any graduate program (addressed below), the long-term definition that the Department proposed is to limit the professional degrees only to the examples listed in the current regulation. This is, on its face, inconsistent with a plain-text reading of the law and referenced regulations, and unlikely to survive a legal challenge by an aggrieved party. The definition in 34 CFR 668.2 pointed to in OBBBA says "Examples of a professional degree **include but are not limited to** Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.)." (Emphasis added.)

In other words, Congress incorporated the fact that the complete universe *cannot* be limited to only the examples listed into the statutory definition it adopted three months ago. The Department's proposed definition thus clearly runs counter to our third inference of Congressional intent (Additional Degrees Beyond Examples). That third inference is what gives the Secretary the implicit authority - and even the obligation - to add to the list or create a rubric of additional degrees that qualify as "professional" (inferences 2 and 4).

Nor could Congress have expected the Department would *not* provide this additional clarity. With a non-exhaustive list in place and no further guidance, for instance, institutions offering the exact same program of study might have extremely different loan eligibility for their students. To provide a consistent, reasonable interpretation of the law, the Department is obligated to weigh in.

#### *The Department Cannot Contradict the Explicit Will of Congress*

The Department's proposed carve-out of a one-year reprieve, which would allow for schools to effectively self-attest as "professional" based on marketing material or past reporting (however erroneous) to the Department, violates inference 1 (that Congress intended to significantly limit eligibility), and more importantly has no textual basis in the law or the definition set forth in 34 CFR § 668.2 on the date of enactment. For example, there is no mention in the § 668.2 definition about marketing materials. Furthermore, if Congress had intended to allow schools to have a one-year reprieve in order to have time to adjust to the new law, then Congress would have set the date of the new loan limits for July 1, 2027. Instead, Congress very clearly set the date for July 1, 2026, something

that the Department continues to point out as justification for their accelerated rulemaking timeline. The Secretary is well beyond her authority to allow a one-year reprieve.

### *The Department's Definitions Must Be Internally Consistent*

The Department's proposed definition, as currently written, would create a definition of a professional student in § 685.209 (the Direct Loan regulations), but it would *leave the current definition* of a professional degree, which differs from the new definition of a professional student in the Department's overarching general regulations. Not only does this likely create substantial confusion, as institutions may find conflicts between the two and be unclear which rule takes priority and when; but it also does not solve the inherent challenge of the statutory alignment with the Department's interpretation. OBBBA refers to 34 CFR § 668.2's definition of a professional degree as it was in effect on July 4, 2025 – *not* to any other definition of a professional student or degree. This is particularly complicated by the fact that the definition the Department proposed of a professional student is one who is in a program that awards a professional degree, but not the professional degree Congress intended in 34 CFR § 668.2; a different meaning for that same term of a professional degree. We do not see how this conflict provides any clarity to the field, effectively restricts the use of additional loan dollars to the programs Congress intended, or ensures students (or, for that matter, institutions) have any hope of anticipating their loan eligibility with a read of these regulations.

### **Legal Justification for Our Proposed Definition**

We set out to create a definition based on the inferences of Congressional intent outlined earlier in the memo. Briefly:

1. *Limit Eligibility*: In seeking to limit student loan borrowing, it is understood that Congress did not intend for an open-ended definition in 34 CFR § 668.2 to be the only guidance provided to institutions. Our clarification provides institutions additional guidance without creating an unstructured open-ended definition that would be counter to Congressional intent to limit and manage student borrowing.
2. *Departmental Clarification*: The Department should *clarify* rather than *modify* the definition of "professional degree" and, in fact, it *must* do so in order to reasonably implement the statutory change. Therefore, we avoid modifying the existing language of 668.2 and instead add additional clarifying language.
3. *Additional Degrees Beyond Examples*: Due to the "including but not limited to" language in the current 34 CFR § 668.2 definition in place as of the date of enactment and explicitly cross-referenced in the law, the Department's clarification must include additional degrees beyond the listed examples. Therefore, we create a rubric to include additional degrees.
4. *Limiting Principles Based on Text and Context*: Because the 34 CFR § 668.2 definition, as it was in effect as of the date of enactment of OBBBA, provides a list of examples to illuminate the *kinds* of degrees that qualify, the task of the regulator is to determine degrees that are substantially similar or adjacent to the listed examples, and any other degrees that the Department would

have very likely considered “professional” based on its own available guidance, records, and data as of the date of enactment. The regulator should *not* attempt to add its own additional policy preferences. Therefore, we create a three-part test (outlined briefly below and further in our September 30 memo included as Appendix A) based on the current regulation’s text and context.

#### *Our Updated Three-Part Test*

1. **Is the program already named in the regulations?** We assume that, because these programs exist in the current definition of a professional degree, they are consistent with what Congress assumed a professional degree would include and with how the regulations were in effect as of the date of enactment. If not, Congress would have struck them from the definition.
  
2. **Is the program in an adjacent field to the programs named in the regulation and of similar length (at least 80 credit hours)?** We infer that these programs are consistent with the “include but are not limited to” language in the current regulatory definition of a professional degree, and consistent with the types of programs Congress would have assumed fit that definition when it codified the cross-reference.
  - a. *Adjacent field:* We propose to define the adjacent field as other programs within the same two-digit [Classification of Institutional Programs \(CIP\) code](#) as the programs named in the regulatory definition. All of the named programs fall within one of just four two-digit CIP codes: agriculture, legal professions, theology, and health. This uses an existing, commonly understood framework for identifying programs by their approximate content, and has been used in the context of other federal regulations to provide clarity.
  
  - b. *Program length:* We propose to incorporate program length as part of the definition because it is an important part of how graduate and professional programs have typically been differentiated. All programs currently included on the professional program list are generally at least 80 credit hours or more.<sup>2 3</sup>

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<sup>2</sup> There is no centralized repository of credit hours by degree, so this finding is based on researching a number of programs in the listed fields. A very small number of Master’s of Divinity programs may be below 80 credit hours, but all but one of the top schools by enrollment requires at least 80. Many law schools still require 90 credit hours or more, but an increasing number require between 80 and 90. The other listed examples all appear to require at least 90 credit hours.

<sup>3</sup> The M.H.L. (Master of Arts in Hebrew Letters) warrants a separate explanation. The entire degree to achieve ordination by the school has always required well over 100 credit hours. Furthermore, the title of “Rabbi” that is ordained by the school at the end of the program appears to substitute for “Dr.” found in other secular degrees. In recent years the main rabbinical schools appear to have moved towards awarding the master’s at the end of the degree to better reflect credit requirements for purposes of the Department’s record-keeping. For instance, the M.A. in Hebrew Letters at Hebrew Union College (where Reform Judaism rabbis are trained) is now 133 credits, with an additional 22 credits in the final ordination year.

Extending to other programs within the CIP code will provide additional clarity for the field, and identify an operationalizable approach to assessing programs beyond those in the current regulation.

While our previous definition (see Appendix A) proposed program length as measured in years, we have since received technical feedback that credit hours would be easier to operationalize and enforce, as the Department has an existing, standardized definition (albeit one that allows flexibility) of a credit hour (34 CFR § 668.2). Furthermore, measuring length using solely a non-credit-hour metric could penalize accelerated degree programs, which pack more credit hours into a given year, and should lead to less student loan debt (because there is less time over which costs like room and board accumulate) and earlier repayment (because students enter the workforce sooner).

- 3. Did the OBBBA language and corresponding regulatory definition, as of the date of enactment, indicate any exceptions to the above tests?** A deeper data-driven analysis we conducted as part of our September 30 memo suggested that the Department and Congress likely understood all professional degrees to fall under four two-digit CIP codes (Health, Law, Agriculture, and Theology), with one important exception—Clinical Psychology. There are 27 doctoral degrees at the 6-digit CIP code level where a majority of institutions reported the program as professional. All but one of these would already be classified as professional based on the 2-digit CIP code adjacency described above. The lone exception is Clinical Psychology (see Appendix A for a more thorough explanation of our analysis).

Given that, we believe that a very narrow, data-driven exception is warranted to add Clinical Psychology to the regulatory definition because there is a strong case that it was understood broadly by the field, and by any consumers of those data - including Congress itself - as a professional degree as of the date of enactment.

We believe these tests would set an appropriately narrow expansion of the listed examples that is in line with Congress' intent. Briefly we want to highlight specific components of our definition, their purpose, and why we believe they are justified.

- *No change to the 34 CFR § 668.2 language as it was in effect on the date of enactment:* We purposefully do not change the prior language, and instead only *add* language to clarify the definition, as it was already understood.
- *“The remaining professional degrees”:* This language indicates that the additional language in the definition is clarifying the *only* remaining possible degrees implied by the non-exhaustive list of examples.
- *“Substantially similar to the examples listed above”:* This language indicates that the Secretary is using characteristics of the example degrees as the primary method of further clarifying and defining what constitutes a professional degree.

## Justifications for Adding Clarifying Language to § 668.2 Rather Than Creating a Conflicting Definition

The Department has proposed establishing a definition of a “graduate student” and a “professional student” in proposed 34 CFR § 685.102, definitions within the Direct Loan program. However, there are also existing definitions within 34 CFR § 668.2, general definitions, for both a “graduate or professional student” and for a “professional degree.”

We are concerned that these similar-but-different definitions could create substantial opportunity for confusion and propose changes to ensure that these definitions match. We are especially concerned about the differing definitions of a professional *degree* (in § 668.2) and a professional *student* (in § 685.102). OBBBA specifies that the definition of a professional student is one “enrolled in a program of study that awards a professional degree, as defined under section 668.2 of title 34, Code of Federal Regulations (*as in effect on the date of enactment of this paragraph*).” (Emphasis added.)<sup>4</sup> The Department needs to resolve any discrepancies between the two definitions, or it risks substantial misunderstandings or even misapplication of the rules by institutions of higher education.

Our preferred solution is for the Department to propose including any definitions of professional and graduate students/degrees only in 34 CFR § 668.2. However, the Department could also align the definitions in proposed § 685.102 so that they match those in § 668.2. We include language below for the former option.

### **34 CFR § 668.2: Proposed Language from Negotiators Representing Taxpayers and the Public Interest Defining a Professional Degree** (redlined based on the current definition in 34 CFR § 668.2)

*Professional degree:* A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.). **The remaining professional degrees under this definition are those substantially similar to the examples listed above in both length and field of study, defined as a program of at least 80 credit hours and that is either classified within the same two-digit Classification of Instructional Programs (CIP) code of any of the degrees named above or as a degree in Clinical Psychology (Psy.D., etc.).**

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<sup>4</sup> We do not believe that the Department is prohibited by the OBBBA statutory language from providing additional clarity via changes to the definition of a professional degree; and the proposed changes to § 668.2 included here are solely refinements designed to codify the Department’s and the field’s longstanding interpretation of the definition of a professional degree, as it was in effect as of July 4, 2025, when the legislation was signed into law. Furthermore, because OBBBA points to language from a snapshot in time, clarifying that definition has no legal effect on the language as it existed on the date of enactment.

## APPENDIX A: [Previously Submitted]

### Memo on the Proposed Definition of a Professional Degree

Submitted to the RISE Negotiated Rulemaking Committee

From: Alex Holt and Andrew Gillen (Taxpayers and the Public Interest Constituency)

September 30, 2025

In the One Big Beautiful Bill Act (OBBBA), Congress sought to codify a definition of “professional student” from the regulations.

“(ii) Professional student.—In this paragraph, the term ‘professional student’ means a student enrolled in a program of study that awards a professional degree, as defined under section 668.2 of title 34, Code of Federal Regulations (as in effect on the date of enactment of this paragraph), upon completion of the program.

The definition from the regulations on the date of enactment reads as follows:

*Professional degree:* A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. Examples of a professional degree include but are not limited to Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.).

Recognizing that this has caused some confusion among negotiators, we put forward a proposal below that seeks to balance the narrow definition that Congress intended for professional programs (eligible for up to \$50,000 per year in loans) with the need for some programs not included in the already-named examples to have their status clarified.

Specifically, we propose a three-part test:

1. **Is the program already named in the regulations?** We assume that, because these programs exist in the current definition of a professional degree, they are consistent with what Congress assumed a professional degree would include and with how the regulations were in effect as of the date of enactment.
2. **Is the program in an adjacent field to the programs named in the regulation and of similar length (at least three years)?** We assume that these programs are consistent with the “include but are not limited to” language in the current regulatory definition of a professional degree.
  - a. *Adjacent field:* We propose to define the adjacent field as other programs within the same two-digit [Classification of Institutional Programs \(CIP\) code](#) as the programs

named in the regulatory definition. All of the named programs fall within one of just four two-digit CIP codes: agriculture, legal professions, theology, and health.

- b. Program length:* We propose to incorporate program length as part of the definition because it is an important part of how graduate and professional programs have typically been differentiated. All programs currently included on the professional program list, with the exception of an M.H.L., are typically at least three or four years.

Extending to other programs within the CIP code will provide additional clarity for the field, and identify an operationalizable approach to assessing fields beyond those in the regulations for the Department. For instance, there are many subspecialties within Pharmacy (such as pharmaceuticals and drug design, or clinical and industrial drug development) that may operate similarly to the credentials named in the regulation as professional.

Any extension of the definition of professional programs should be narrow, within the scope of programs similar to those named in the current regulations, and easily defined for clarity of students, institutions, and the Department of Education. We believe the use of the 2-digit CIP code to broaden out adjacent fields will accomplish those goals.

**TABLE 1: CIP Codes of Currently Defined Professional Fields**

<b>Program of Study</b>	<b>CIP Code (6-digit)</b>	<b>CIP Code (2-digit)</b>
Pharmacy	51.2001	51 (Health Professions and Related Clinical Sciences)
Dentistry	51.0401	51 (Health Professions and Related Clinical Sciences)
Veterinary Medicine	01.8001	01 (Agriculture, Agriculture Operations, and Related Sciences)
Chiropractic	51.0101	51 (Health Professions and Related Clinical Sciences)
Law	22.0101	22 (Legal Professions and Studies)
Medicine	51.1201	51 (Health Professions and Related Clinical Sciences)
Optometry	51.1701	51 (Health Professions and Related Clinical Sciences)

Osteopathic Medicine	51.1202	51 (Health Professions and Related Clinical Sciences)
Podiatry	51.1203	51 (Health Professions and Related Clinical Sciences)
Theology	39.0601	39 (Theology and Religious Vocations)

3. **Did the OBBBA language and corresponding regulatory definition, as of the date of enactment, indicate any exceptions to the above tests?** A deeper data-driven analysis can provide additional information to the negotiating committee about other programs that may warrant a closer look. We explored data from IPEDS regarding the number of credentials awarded by each field of study (6-digit CIP code), and examined the share of credentials awarded as doctoral-research programs, doctoral-professional programs, and doctoral-other.<sup>5</sup> We narrowed this analysis to fields in which at least 100 credentials are awarded each year, since we do not think Congress would have been considering cases where only a handful of credentials are awarded each year as qualifying as professional programs.

Among those remaining fields, there are 27 six-digit CIP codes that report most -- i.e., at least half -- of their doctoral degrees awarded as professional doctoral degrees (see Table 2). Of those, just one falls outside of the four two-digit CIPs that would already be covered by our second test: Clinical Psychology (57.8% of doctoral degrees awarded are reported as professional).

Given that, we believe that a very narrow, data-driven exception is warranted to add Clinical Psychology to the regulatory definition because there is a strong case that it was understood as a professional degree as of the date of enactment.

**TABLE 2: Share of Doctoral Degrees Awarded and Reported As Research, Professional, and Other in IPEDS**

CIP Code	CIP Description	Total # of Doctoral Degrees Awarded	Doctor's Degree - Research/Scholarshi p (%)	Doctor's Degree - Professional Practice (%)	Doctor's Degree - Other (%)
01.8001	Veterinary Medicine	3,466	0.0%	100.0%	0.0%

<sup>5</sup> This is an extension of the analysis discussed here: <https://www.aei.org/education/beware-graduate-programs-masquerading-as-professional-to-increase-student-debt/>.

51.1201	Medicine	20,725	0.0%	100.0%	0.0%
51.1202	Osteopathic Medicine/Osteopathy	7,884	0.0%	100.0%	0.0%
51.1203	Podiatric Medicine/Podiatry	559	0.0%	100.0%	0.0%
51.1701	Optometry	1,780	0.0%	100.0%	0.0%
51.2001	Pharmacy	12,938	0.0%	100.0%	0.0%
51.3303	Naturopathic Medicine/Naturopathy	254	0.0%	100.0%	0.0%
22.0101	Law	35,647	0.1%	99.9%	0.0%
51.0401	Dentistry	6,928	0.1%	99.9%	0.0%
51.0101	Chiropractic	2,698	1.8%	98.2%	0.0%
51.2308	Physical Therapy/Therapist	13,307	7.3%	90.1%	2.6%
51.3899	Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing, Other	339	10.0%	90.0%	0.0%
51.3301	Acupuncture and Oriental Medicine	716	1.4%	87.6%	11.0%
22.0201	Advanced Legal Research/Studies, General	272	22.4%	77.6%	0.0%
51.2306	Occupational Therapy/Therapist	3,503	20.6%	77.3%	2.1%

51.3818	Nursing Practice	7,474	20.2%	76.6%	3.2%
51.0912	Physician Assistant	510	25.1%	74.9%	0.0%
51.3810	Psychiatric/Mental Health Nurse/Nursing	193	25.4%	74.6%	0.0%
51.0202	Audiology/Audiologist	672	20.5%	73.2%	6.3%
51.0204	Audiology/Audiologist and Speech-Language Pathology/Pathologist	243	27.2%	72.8%	0.0%
51.3805	Family Practice Nurse/Nursing	683	25.5%	71.9%	2.6%
51.3804	Nurse Anesthetist	1,403	26.3%	71.7%	2.0%
51.1401	Medical Science/Scientist	183	36.1%	63.9%	0.0%
51.3802	Nursing Administration	725	38.3%	60.0%	1.7%
42.2801	Clinical Psychology	2,470	39.8%	57.8%	2.4%
39.0602	Divinity/Ministry	720	25.4%	56.8%	17.8%
51.3203	Nursing Education	114	49.1%	50.9%	0.0%

### Cost Estimate

We also think a relevant part of this discussion should be whether the policy adopted here increases the costs of the provision relative to the estimate that the Congressional Budget Office (CBO) provided to policymakers and the public. That is an important reflection of what Congress intended with respect to this provision.

We believe that the above proposal would be consistent with the CBO estimates. The RAP plan significantly increases the likelihood that professional degree borrowers will repay loan amounts at or under \$200,000 (the professional limit), especially relative to previous IBR plans. For example, a borrower entering repayment with \$200,000 in debt who goes on to earn the median income for a physical therapist with a doctorate will generate a small negative to neutral subsidy, according to our calculations. That is, the government will generate a small amount of revenue or no revenue at all from this borrower, and disbursing the loan will not be a cost to the government. This is because the RAP plan extends the number of years in repayment and also increases the percentage of income that borrowers pay in later years. Since most physical therapists are unlikely to qualify for Public Service Loan Forgiveness (PSLF), this will not generate a cost. This is less true for clinical psychology doctorates, as many psychologists appear to be employed in the public sector. However, we believe that clinical psychology clearly falls within the rubric of a professional degree on the date of enactment, and the number of doctoral degrees granted in this field is relatively small. Therefore, we believe the cost increase associated with clinical psychology is acceptable. In fact, a quick analysis suggests that, overall, the narrow increase in the definition of professional degrees proposed in this memo could possibly generate additional *revenue* for the federal government. In any case, we do not anticipate an economically significant increase in costs.

The three-year requirement is also essential in maintaining a fiscally responsible definition. Since the advent of the graduate PLUS program, higher education has seen an explosion of high-cost master's-level degrees that [did not necessarily](#) correspond with high enough earnings for borrowers to pay off their loans. This problem is exacerbated by the interaction of income-driven repayment programs (including RAP) with PSLF. We were particularly concerned about degrees with large numbers of borrowers such as teaching/education, social work, and counseling. For these degrees, allowing students to take out the additional *marginal* dollar per year from a higher loan limit could cost the government money because that marginal dollar is much more likely to be forgiven. The below definition excludes all of these costly degrees.

Given the public data limitations and compressed timeline of this analysis, we cannot state any point-estimate for costs/savings, but we believe that this narrow expansion is unlikely to lead to an economically significant increase in costs to the federal government.

#### **Proposed Language:**

- *Professional degree*: A degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree. Professional licensure is also generally required. ~~Examples of a p~~Professional degrees ~~include but are not limited to~~ Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.); ~~any program of at least the full-time equivalent of three years in length and within the same two-digit CIP code as any of the professional degrees~~

named above; and any program of at least the full-time equivalent of three years in length in Clinical Psychology (Psy.D.).

## APPENDIX B: Current Department of Education Proposed Definition of Professional Student

### *Professional student:*

(1) A student enrolled in a program of study that awards a professional degree upon completion of the program;

(i) A professional degree is a degree that signifies both completion of the academic requirements for beginning practice in a given profession and a level of professional skill beyond that normally required for a bachelor's degree, where professional licensure is also generally required.

(ii) These programs are designated as professional degrees: Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), Theology (M.Div., or M.H.L.).

(iii) Additional professional degrees must be designated by the Secretary through rulemaking, as required by 20 U.S.C. 1098a and 5 U.S.C. 553.

(2) *Interim Definition of Professional Student Through June 30, 2027.* Through June 30 2027, professional student means, a student enrolled before July 1, 2027, in a program of study that awards a professional degree upon completion of the program. A program of study that awards a professional degree is one that meets the criteria under (1)(i) through (iii) of this definition and any other degrees that meet the following conditions:

(i) Existed as of July 4 2025, and for which students received title IV funds in the 2024-2025 award year;

(ii) Meets the criteria in paragraph (1)(i) of this definition; and

(iii) Designated by the institution as a professional degree. An institution designates a program as a professional degree by providing, on or before July 4, 2025, clear and conspicuous information describing such program of study

(A) To current and prospective students in accordance with §668.43 or

(B) To the Department.

(3) A professional student under this definition:

(i) May not receive title IV aid as an undergraduate student for the same period of enrollment;

(ii) Must be enrolled in a program leading to a professional degree under paragraph (1) of this definition; and

(iii) Has completed the equivalent of at least three years of full-time study either prior to entrance into the program or as part of the program itself.